# IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA SOUTHERN DIVISION

HANCOCK BANK, Successor in Interest to Peoples First Community Bank by
Asset Acquisition from the FDIC as
Receiver for Peoples First,

\*\*

Plaintiff, \* Civil Action No. 12-101

V.

\*

ELITE DEVELOPMENT, LLC;

CLARENCE E. BURKE, JR.;

JOHN B. FOLEY, IV; ROBERT T.

CUNNINGHAM, III; BENCHMARK

HOMES, INC.; PENNSTAR, LLC;

WOLF CREEK INDUSTRIES, INC.;

STRATOSPHERE LAND

HOLDINGS, INC.; RUSTAL, LLC;

CROSSROADS, LLC; COUNTRY CLUB

DEVELOPMENT, LLC; ALBERT

CORTE III; and AC 3, INC.,

\*

Defendants.

**COMPLAINT** 

Plaintiff, Hancock Bank, Successor in Interest to Peoples First Community Bank by Asset Acquisition from the FDIC as Receiver for Peoples First Community Bank ("Hancock"), sues defendants, Elite Development, LLC; Clarence E. Burke, Jr.; John B. Foley, IV; Robert T. Cunningham, III; Benchmark Homes, Inc.; Pennstar, LLC; Wolf Creek Industries, Inc.; Stratosphere Land Holdings, Inc.; Rustal, LLC; Crossroads, LLC; Country Club Development, LLC; Albert Corte III; and AC 3, Inc., and alleges:

#### **PARTIES**

1. Hancock is a Mississippi banking corporation and is the successor in interest to Peoples First Community Bank by asset acquisition from the FDIC as Receiver

for Peoples First Community Bank by virtue of a Purchase and Assumption Agreement dated December 18, 2009.

- 2. Elite Development, LLC ("Elite") is a limited liability company formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama. The member of Elite, Benchmark Homes, Inc., likewise is an Alabama citizen, or is a company or corporation formed and existing under the laws of the State of Alabama with its principal places of business in Baldwin County, Alabama.
- 3. Clarence E. Burke, Jr. ("Burke") is an individual over the age of 19 years and is a citizen of Alabama residing in Baldwin County, Alabama.
- 4. John B. Foley, IV ("Foley") is an individual over the age of 19 years and is a citizen of Alabama residing in Baldwin County, Alabama.
- 5. Robert T. Cunningham, III ("Cunningham") is an individual over the age of 19 years and is a citizen of Alabama residing in Mobile County, Alabama.
- 6. Benchmark Homes, Inc. ("Benchmark") is a corporation formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama.
- 7. Pennstar, LLC ("Pennstar") is a limited liability company formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama. The members of Pennstar, Wolf Creek Industries, Inc. and Alliance, Ltd., likewise are Alabama citizens, or are companies or corporations formed and existing under the laws of the State of Alabama with their principal places of business in Baldwin County, Alabama.
  - 8. Wolf Creek Industries, Inc. ("Wolf Creek") is a corporation formed and

existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama.

- 9. Stratosphere Land Holdings, Inc. ("Stratosphere") is a corporation formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama.
- 10. Rustal, LLC ("Rustal") is a limited liability company formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama. The member of Rustal, Crossroads, LLC, likewise is an Alabama citizen, or is a company or corporation formed and existing under the laws of the State of Alabama with their principal places of business in Baldwin County, Alabama.
- 11. Crossroads, LLC ("Crossroads") is a limited liability company formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama. The members of Crossroads, Pennstar, Thomson, LLC, and John B. Foley, IV, likewise are Alabama citizens, or are companies or corporations formed and existing under the laws of the State of Alabama with their principal places of business in Baldwin County, Alabama.
- 12. Country Club Development, LLC ("Country Club") is a limited liability company formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama. The members of Country Club are Albert Corte, III, a citizen of Alabama residing in Baldwin County, Alabama, and James G. Tanner, III, citizen of Louisiana residing in Baton Rouge.
- 13. Albert Corte, III ("Albert Corte") is an individual over the age of 19 years and is a citizen of Alabama residing in Baldwin County, Alabama.

14. AC 3, Inc. ("AC 3") is a corporation formed and existing under the laws of the State of Alabama with its principal place of business in Baldwin County, Alabama.

# **JURISDICTION AND VENUE**

- 15. Hancock realleges the allegations in the preceding paragraphs as if fully set forth herein.
- 16. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1332 because there is complete diversity of citizenship between Hancock and defendants and the amount in controversy is in excess of \$75,000.00, exclusive of interest and costs.
- 17. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(a)(2) and/or (3) because: (i) each of the loans at issue were accepted by Hancock's predecessor in interest in Baldwin County, Alabama; and (ii) the defendants, in the loan documents attached hereto, consented to personal jurisdiction in the State of Alabama, or have established minimum contacts with the State of Alabama sufficient for personal jurisdiction.

#### Count I: Elite Development, LLC Promissory Notes.

18. Hancock realleges the allegations in paragraphs 1, 2, 15, 16, and 17 as if fully set forth herein.

#### **Elite Note One**

- 19. On or about June 23, 2004, Elite executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$233,750.00. On or about May 16, 2007, Elite executed and delivered to Hancock's predecessor in interest a renewal promissory note in the principal amount of \$207,540.64. A copy of the renewal note is attached and marked Exhibit A.
  - 20. Hancock owns and holds Elite Note One by virtue of assignment from the

FDIC dated April 29, 2010, recorded on May 6, 2010, at Instrument number 1232123 in the Probate Records of Baldwin County, Alabama, and attached as Exhibit B.

- 22. Elite defaulted under Elite Note One by failing to pay the note upon maturity.
- 23. The note dated June 23, 2004, as well as the renewals thereof, is secured by a mortgage dated June 23, 2004, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 820543. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the renewal promissory note dated May 16, 2007.
- 24. Under Elite Note One, Elite owes Hancock principal of \$173,657.59 that is due with interest, plus late charges.

#### **Elite Note Two**

- 25. On or about May 10, 2006, Elite executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$2,159,500.00, which Elite renewed on or about March 21, 2008. On or about September 17, 2009, Elite executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the principal amount of \$1,746,700.00. A copy of the second renewal note is attached and marked Exhibit C.
- 26. Hancock owns and holds Elite Note Two by virtue of assignment from the FDIC dated July 30, 2010, recorded on September 2, 2010, at Instrument number 1249193 in the Probate Records of Baldwin County, Alabama and attached as Exhibit D.
  - 27. Elite defaulted under Elite Note Two by failing to pay the note upon

maturity.

- 28. The note dated May 10, 2006, as well as the renewals thereof, is secured by a mortgage dated May 10, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 974898. That mortgage was modified on September 14, 2006, by a modification agreement recorded at Instrument number 1001512. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the second renewal promissory note dated September 17, 2009.
- 29. Under Elite Note Two, Elite owes Hancock principal of \$1,690,300.00 that is due with interest, plus late charges.

#### **Elite Note Three**

- 30. On or about May 1, 2006, Elite executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$1,646,500.00, which Elite renewed on or about November 19, 2008. On or about October 13, 2009, Elite executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the principal amount of \$571,000.00. A copy of the second renewal note is attached and marked Exhibit E.
- 31. Hancock owns and holds Elite Note Three by virtue of assignment from the FDIC dated July 30, 2010, recorded on September 2, 2010, at Instrument number 1249194 in the Probate Records of Baldwin County, Alabama and attached as Exhibit F.
- 32. Elite defaulted under Elite Note Three by failing to pay the note upon maturity.

- 33. The note dated May 1, 2006, as well as the renewals thereof, is secured by a mortgage dated May 1, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 972617. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the second renewal promissory note dated October 13, 2009.
- 34. Under Elite Note Three, Elite owes Hancock principal of \$458,500.00 that is due with interest, plus late charges.

#### **Elite Note Four**

- 35. On or about May 9, 2005, Elite executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$1,575,000.00, which Elite renewed on or about May 22, 2008. On or about June 29, 2009, Elite executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the principal amount of \$877,860.00. A copy of the second renewal note is attached and marked Exhibit G.
- 36. Hancock owns and holds Elite Note Four by virtue of assignment from the FDIC dated March 25, 2010, recorded on April 6, 2010, at Instrument number 1227491 in the Probate Records of Baldwin County, Alabama and attached as Exhibit H.
- 37. Elite defaulted under Elite Note Four by failing to pay the note upon maturity.
- 38. The note dated May 9, 2005, as well as the renewals thereof, is secured by a mortgage dated May 9, 2005 on real property located in Baldwin County, Alabama which is recorded at Instrument Number 893414. The Plaintiff has elected to exercise the

power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the second renewal promissory note dated June 29, 2009.

- 39. Under Elite Note Four, Elite owes Hancock principal of \$627,818.29 that is due with interest, plus late charges.
- 40. Pursuant to Elite notes 1-4, Hancock claims its court costs and attorney's fees from Elite in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Elite for the aggregate principal balance outstanding on the 4 Elite notes of \$2,950,275.88, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count II: Guaranties of Elite Promissory Notes.**

- 41. Hancock re-alleges the allegations set forth above in paragraphs 1-6, 15-17, and Count I as if set out fully herein, and further alleges:
- 42. On or about May 16, 2007, Burke, Foley, Cunningham, and Benchmark executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Elite's indebtedness to Hancock under Elite Note One. Copies of the Elite Note One guaranties are attached and marked Composite Exhibit I.
- 43. On or about September 17, 2009, Burke, Foley, Cunningham, and Benchmark executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Elite's indebtedness to Hancock under Elite Note Two. Copies of the Elite Note Two guaranties are attached and marked Composite Exhibit J.
- 44. On or about October 13, 2009, Burke, Foley, Cunningham, and Benchmark executed and delivered to Hancock's predecessor in interest separate

unconditional guaranties of Elite's indebtedness to Hancock under Elite Note Three.

Copies of the Elite Note Three guaranties are attached and marked Composite Exhibit K.

- 45. On or about June 29, 2009, Burke, Foley, Cunningham, and Benchmark executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Elite's indebtedness to Hancock under Elite Note Four. Copies of the Elite Note Four guaranties are attached and marked Composite Exhibit L.
- 46. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC which assigned Elite Notes 1-4.
- 47. Burke, Foley, Cunningham, and Benchmark each defaulted under their separate guaranties by failing to pay the indebtedness of Elite to Hancock, as agreed.
- 48. Under the guaranties, Burke, Foley, Cunningham, and Benchmark, individually, owe Hancock the aggregate principal of \$2,950,275.88 that is due with interest, plus late charges.
- 49. The Plaintiff has elected to exercise the power of sale under the mortgages securing the Elite Notes. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
- 50. Pursuant to the guaranties executed by Burke, Foley, Cunningham, and Benchmark, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke, Foley, Cunningham, and Benchmark in the principal amount of \$2,950,275.88, plus interest, late charges, court costs and attorney's fees.

### **Count III: Pennstar, LLC Promissory Note.**

- 51. Hancock re-alleges the allegations set forth in paragraphs 1,7, and 15-17 as if fully set forth herein, and further alleges:
- 52. On or about October 31, 2006, Pennstar executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$1,261,000.00, which Pennstar renewed on or about May 8, 2008. On or about June 29, 2009, Pennstar executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the principal amount of \$851,740.00. A copy of the second renewal note is attached and marked Exhibit M.
- 53. Hancock owns and holds the second renewal note by virtue of assignment from the FDIC dated July 19, 2010, recorded on August 12, 2010, at Instrument number 1246045 in the Probate Records of Baldwin County, Alabama and attached as Exhibit N.
- 54. Pennstar defaulted under the second renewal note by failing to pay the note upon maturity.
- 55. The note dated October 31, 2006, as well as the renewals thereof, is secured by a mortgage dated October 31, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 1011658. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the June 29, 2009, second renewal note.
- 56. Under the second renewal note, Pennstar owes Hancock principal of \$836,740.00 that is due with interest, plus late charges.
  - 57. Pursuant to the second renewal note, Hancock claims its court costs and

attorney's fees from Pennstar in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Pennstar for the principal balance outstanding on second renewal note of \$836,740.00, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count IV: Guaranties of Pennstar Promissory Note.**

- 58. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 7-8, 15-17, and Count III as if fully set forth herein, and further alleges:
- 59. On or about June 29, 2009, Burke and Wolf Creek executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Pennstar's indebtedness to Hancock under the second renewal note. Copies of the guaranties are attached and marked Composite Exhibit O.
- 60. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Pennstar note.
- 61. Burke and Wolf Creek each defaulted under their separate guaranties by failing to pay the indebtedness of Pennstar to Hancock, as agreed.
- 62. Under the guaranties, Burke and Wolf Creek, individually, owe Hancock principal of \$836,740.00 that is due with interest, plus late charges.
- 63. The Plaintiff has elected to exercise the power of sale under the mortgages securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
  - 64. Pursuant to the guaranties executed by Burke and Wolf Creek, Hancock

claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke and Wolf Creek in the principal amount of \$836,740.00, plus interest, late charges, court costs and attorney's fees.

# **Count V: Stratosphere Land Holdings, Inc. Promissory Note.**

- 65. Hancock re-alleges the allegations set forth in paragraphs 1, 9, and 15-17 as if fully set forth herein, and further alleges:
- 66. On or about February 1, 2006, Stratosphere executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$2,000,000.00, which Stratosphere renewed on or about March 11, 2008, Stratosphere executed and delivered to Hancock's predecessor in interest a renewal promissory note in the principal amount of \$2,000,000.00. On or about March 30, 2010, Stratosphere executed and delivered to Hancock's predecessor in interest a Short Term Maturity Extension Agreement in the principal amount of \$2,000,000.00, which extended the maturity of the renewal promissory note from March 11, 2010, to July 15, 2010. A copy of the March 11, 2010, renewal note and Short Term Maturity Extension Agreement is attached and marked Composite Exhibit P.
- 67. Hancock owns and holds the renewal note and Short Term Maturity Extension Agreement by virtue of assignment from the FDIC dated March 18, 2010, recorded on April 8, 2010, at Instrument number 1227984 in the Probate Records of Baldwin County, Alabama and attached as Exhibit Q.
  - 68. Stratosphere defaulted under the renewal note and Short Term Maturity

Extension Agreement by failing to pay the renewal note upon maturity.

- 69. The note dated February 1, 2006, as well as the renewals thereof, is secured by a mortgage dated February 1, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 954036. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the renewal note and Short Term Maturity Extension Agreement.
- 70. Under the renewal note and Short Term Maturity Extension Agreement, Stratosphere owes Hancock principal of \$2,000,000.00 that is due with interest, plus late charges.
- 71. Pursuant to the renewal note and Short Term Maturity Extension Agreement, Hancock claims its court costs and attorney's fees from Stratosphere in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Stratosphere for the principal balance outstanding on the renewal note and Short Term Maturity Extension Agreement of \$2,000,000.00, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count VI: Guaranties of Stratosphere Promissory Note.**

- 72. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 8, 9, 15-17, and Count V as if fully set forth herein, and further alleges:
- 73. On or about March 12, 2008, Burke and Wolf Creek executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Stratosphere's indebtedness to Hancock under the second renewal note. Copies of the

guaranties are attached and marked Composite Exhibit R.

- 74. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Stratosphere note.
- 75. Burke and Wolf Creek each defaulted under their separate guaranties by failing to pay the indebtedness of Stratosphere to Hancock, as agreed.
- 76. Under the guaranties, Burke and Wolf Creek, individually, owe Hancock principal of \$2,000,000.00 that is due with interest, plus late charges.
- 77. The Plaintiff has elected to exercise the power of sale under the mortgages securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
- 78. Pursuant to the guaranties executed by Burke and Wolf Creek, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke and Wolf Creek in the principal amount of \$2,000,000.00, plus interest, late charges, court costs and attorney's fees.

#### Count VII: Rustal, LLC Promissory Notes.

79. Hancock re-alleges the allegations set forth in paragraphs 1, 10, and 15-17, above, as if fully set forth herein, and further alleges:

#### **Rustal Note One**

80. On or about November 29, 2007, Rustal executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of

- \$323,100.00. A copy of the note is attached and marked Exhibit S.
- 81. Hancock owns and holds Rustal Note One by virtue of assignment from the FDIC dated September 10, 2010, recorded on October 8, 2010, at Instrument number 1254574 in the Probate Records of Baldwin County, Alabama and attached as Exhibit T.
- 82. Rustal defaulted under the renewal note by failing to make the monthly installment payments due thereunder.
- 83. The note dated November 29, 2007, is secured by a mortgage dated November 29, 2007, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 1087775. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the November 29, 2007 note.
- 84. Hancock has elected to accelerate the indebtedness under Rustal Note One.
- 85. Under Rustal Note One, Rustal owes Hancock principal of \$203,732.95 that is due with interest, plus late charges.

#### **Rustal Note Two**

- 86. Hancock re-alleges the allegations set forth in  $\P 1 18$ , and further alleges:
- 87. On or about June 14, 2007, Rustal executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$1,900,000.00. A copy of the note is attached and marked Exhibit U.
- 88. Hancock owns and holds Rustal Note Two by virtue of assignment from the FDIC as evidenced by Purchase and Assumption Agreement dated December 18,

2009.

- 89. Rustal defaulted under Rustal Note Two by failing to make the monthly installment payments due thereunder.
- 90. The note dated June 14, 2007, is secured by a mortgage dated June 14, 2007, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 1057106. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the June 14, 2007 note.
- 91. Hancock has elected to accelerate the indebtedness under Rustal Note Two.
- 92. Under Rustal Note Two, Rustal owes Hancock principal of \$1,828,473.37 that is due with interest, plus late charges.
- 93. Pursuant to Rustal notes 1 and 2, Hancock claims its court costs and attorney's fees from Rustal in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Rustal for the aggregate principal balance outstanding on the 2 Rustal notes of \$2,032,206.32, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

#### **Count VIII: Guaranties of Rustal Promissory Notes.**

- 94. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 4, 5, 7-8, 11, 15-17, and Count VII, above, as if fully set forth herein, and further alleges:
- 95. On or about November 29, 2007, in order to induce Hancock's predecessor in interest to extend credit to Rustal under Rustal Note One, Burke, Foley,

Cunningham, Pennstar, Wolf Creek, and Crossroads executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Rustal's indebtedness to Hancock under Rustal Note One. Copies of the guaranties are attached and marked Composite Exhibit V.

- 96. On or about September June 14, 2007, Burke, Foley, Cunningham, Pennstar, Wolf Creek, and Crossroads executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Rustal's indebtedness to Hancock under Rustal Note Two. Copies of the guaranties are attached and marked Composite Exhibit W.
- 97. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Rustal Notes 1 and 2.
- 98. Burke, Foley, Cunningham, Pennstar, Wolf Creek, and Crossroads each defaulted under their separate guaranties by failing to pay the indebtedness of Rustal to Hancock, as agreed.
- 99. Under the guaranties, Burke, Foley, Cunningham, Pennstar, Wolf Creek, and Crossroads, individually, owe Hancock the aggregate principal of \$2,032,206.32 that is due with interest, plus late charges.
- 100. The Plaintiff has elected to exercise the power of sale under the mortgages securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
- 101. Pursuant to the guaranties executed by Burke, Foley, Cunningham, Pennstar, Wolf Creek, and Crossroads, Hancock claims its court costs and attorney's fees

from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke, Foley, Cunningham, Pennstar, Wolf Creek, and Crossroads in the principal amount of \$2,032,206.32, plus interest, late charges, court costs and attorney's fees.

# **Count IX: Guaranties of Southern Magnolia Homes, LLC Promissory Note.**

- 102. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 8, 15-17, and Count VIII, above, as if fully set forth herein, and further alleges:
- 103. On or about June 14, 2006, non-party Southern Magnolia Homes, LLC ("Southern Magnolia") executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$290,000.00, which Southern Magnolia renewed on or about June 21, 2007. On or about July 8, 2008, Southern Magnolia executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the principal amount of \$289,888.23. A copy of the July 8, 2008 second renewal note is attached and marked Exhibit X.
- 104. Hancock owns and holds the second renewal note by virtue of assignment from the FDIC dated April 14, 2010, recorded on May 21, 2010, at Instrument number 1234633 in the Probate Records of Baldwin County, Alabama and attached as Exhibit Y.
- 105. Southern Magnolia defaulted under the second renewal note by failing to pay the second renewal note upon maturity.
- 106. On or about July 9, 2008, Burke and Wolf Creek executed and delivered to Hancock's predecessor separate unconditional guaranties of Southern Magnolia's indebtedness to Hancock under the second renewal note. Copies of the guaranties are attached and marked Composite Exhibit Z.

- 107. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Southern Magnolia note.
- 108. Burke and Wolf Creek each defaulted under their separate guaranties by failing to pay the indebtedness of Southern Magnolia to Hancock, as agreed.
- 109. Under the guaranties, Burke and Wolf Creek, individually, owe Hancock principal of \$277,738.01 that is due with interest, plus late charges.
- by a mortgage dated June 14, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 982083. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the second renewal note, as well as the guaranties.
- 111. Pursuant to the guaranties executed by Burke and Wolf Creek, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke and Wolf Creek in the principal amount of \$277,738.01, plus interest, late charges, court costs and attorney's fees.

#### **Count X: Wolf Creek Industries, Inc. Promissory Note.**

- 112. Hancock re-alleges the allegations set forth in paragraphs 1, 8, and 15-17, above, as if fully set forth herein, and further alleges:
- 113. On or about December 20, 1999, Wolf Creek executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of

\$850,000.00, which Wolf Creek renewed on or about December 27, 2007. On or about January 27, 2009, Wolf Creek executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the original principal amount of \$915,000.00. On or about March 30, 2010, Wolf Creek executed and delivered to Hancock's predecessor in interest a Short Term Maturity Extension Agreement in the principal amount of \$915,000.00, which extended the maturity date of the second renewal note from January 27, 2010, to July 15, 2010. A copy of the January 27, 2009 second renewal note and Short Term Maturity Extension Agreement is attached and marked Composite Exhibit AA.

- 114. Hancock owns and holds the second renewal note and Short Term Maturity Extension Agreement by virtue of assignment from the FDIC dated March 18, 2010, recorded on April 8, 2010, at Instrument number 1227983 in the Probate Records of Baldwin County, Alabama and attached as Exhibit BB.
- 115. Wolf Creek defaulted under the second renewal note and Short Term Maturity Extension Agreement by failing to pay the second renewal note upon maturity.
- 116. The note dated December 20, 1999, as well as the renewals thereof, is secured by a mortgage dated December 20, 1999 on real property located in Baldwin County, Alabama which is recorded at Instrument Number 526068. That mortgage is modified by a mortgage modification at Instrument Number 625771, and amended by a Substitution of Collateral Agreement recorded at Instrument number 969583. The Plaintiff has elected to exercise the power of sale under the mortgage, as modified, and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the second renewal note and Short Term Maturity Extension

Agreement.

- 117. Under the second renewal note and Short Term Maturity Extension Agreement, Wolf Creek owes Hancock principal of \$915,000.00 that is due with interest, plus late charges.
- 118. Pursuant to the second renewal note and Short Term Maturity Extension Agreement, Hancock claims its court costs and attorney's fees from Wolf Creek in an amount equal to that expended to bring and support this action.

WHEREFORE, Hancock requests judgment against Wolf Creek for the principal balance outstanding on the second renewal note and Short Term Maturity Extension Agreement of \$915,000.00, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count XI: Guaranty of Wolf Creek Promissory Note.**

- 119. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 15-17, and Count X, above, as if fully set forth herein, and further alleges:
- 120. On or about January 27, 2009, Burke executed and delivered to Hancock's predecessor in interest an unconditional guaranty of Wolf Creek's indebtedness to Hancock under the second renewal note and Short Term Maturity Extension Agreement. A copy of the guaranty is attached and marked Exhibit CC.
- 121. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Wolf Creek note.
- 122. Burke defaulted under the guaranty by failing to pay the indebtedness of Wolf Creek to Hancock, as agreed.

- 123. Under the guaranty, Burke owes Hancock principal of \$915,000.00.00 that is due with interest, plus late charges.
- 124. The Plaintiff has elected to exercise the power of sale under the mortgages securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
- 125. Pursuant to the guaranty executed by Burke, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke in the principal amount of \$915,000.00.00, plus interest, late charges, court costs and attorney's fees.

# **Count XII: Country Club Development, LLC Promissory Notes.**

126. Hancock re-alleges the allegations set forth in paragraphs 1, 12, and 15-17 above as if fully set forth herein, and further alleges:

### **Country Club Note One**

- 127. On or about April 14, 2006, Country Club executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$4,200,000.00, which Country Club renewed on or about December 6, 2007. On or about June 29, 2009, Country Club executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the original principal amount of \$3,277,665.02. A copy of the second renewal note is attached and marked Exhibit DD.
- 128. Hancock owns and holds Country Club Note One by virtue of assignment from the FDIC dated August 31, 2010, recorded at Instrument Number 1252254, and

attached as Exhibit EE.

- 129. Country Club defaulted under Country Club Note One by failing to pay the note upon maturity.
- 130. The note dated April 14, 2006, as well as the renewals thereof, is secured by a mortgage dated April 14, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 972619. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the June 29, 2009 second renewal note.
- 131. Under Country Club Note One, Country Club owes Hancock principal of \$2,623,732.63 that is due with interest, plus late charges.

#### **Country Club Note Two**

- 132. On or about April 14, 2006, Country Club executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$1,105,000.00, which Country Club renewed on or about June 12, 2008. On or about July 16, 2009, Country Club executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the original principal amount of \$1,077,463.13. A copy of the second renewal note is attached and marked Exhibit FF.
- 133. Hancock owns and holds Country Club Note Two by virtue of assignment from the FDIC as evidenced by Purchase and Assumption Agreement dated December 18, 2009.
- 134. Country Club defaulted under Country Club Note Two by failing to pay the note upon maturity.

- by a mortgage dated April 14, 2006, on real property located in Baldwin County, Alabama which is recorded at Instrument Number 970119. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the July 16, 2009 second renewal note.
- 136. Under Country Club Note Two, Country Club owes Hancock principal of \$1,077,463.13 that is due with interest, plus late charges.
- 137. Pursuant to Country Club notes 1 and 2, Hancock claims its court costs and attorney's fees from Country Club in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Country Club for the aggregate principal balance outstanding on the 2 Country Club notes of \$3,701,195.76, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count XIII: Guaranties of Country Club Promissory Notes.**

- 138. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 7, 8, 13-17, and Count XII, above, as if fully set forth herein, and further alleges:
- 139. On or about June 29, 2009, Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte executed and delivered to Hancock's predecessor in interest separate unconditional guaranties of Country Club's indebtedness to Hancock under Country Club Note One. Copies of the guaranties are attached and marked Composite Exhibit GG.
- 140. On or about September July 16, 2009, Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte executed and delivered to Hancock's predecessor in interest separate

unconditional guaranties of Country Club's indebtedness to Hancock under Country Club Note Two. Copies of the guaranties are attached and marked Composite Exhibit HH.

- 141. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Country Club notes.
- 142. Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte each defaulted under their separate guaranties by failing to pay the indebtedness of Country Club to Hancock, as agreed.
- 143. Under the guaranties, Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte, individually, owe Hancock the aggregate principal of \$3,701,195.76 that is due with interest, plus late charges.
- 144. The Plaintiff has elected to exercise the power of sale under the mortgages securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.
- 145. Pursuant to the guaranties executed by Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke, Pennstar, Wolf Creek, AC 3, and Albert Corte in the principal amount of \$3,701,195.76, plus interest, late charges, court costs and attorney's fees.

#### **Count XIV: Crossroads, LLC Promissory Notes.**

146. Hancock re-alleges the allegations set forth in paragraphs 1, 11, and 15-17 above as if fully set forth herein, and further alleges:

#### **Crossroads Note One**

- 147. On or about June 9, 2005, Crossroads executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$519,550.00, which note Crossroads renewed and which amount Crossroads increased on or about January 4, 2007. On or about August 10, 2009, Crossroads executed and delivered to Hancock's predecessor in interest a second renewal promissory note in the original principal amount of \$740,835.00. A copy of the second renewal note is attached and marked Exhibit II.
- 148. Hancock owns and holds Crossroads Note One by virtue of assignment from the FDIC dated August 31, 2010, recorded at Instrument Number 1227986, and attached as Exhibit JJ.
- 149. Crossroads defaulted under Crossroads Note One by failing to pay the note upon maturity.
- a mortgage dated June 9, 2005 on real property located in Baldwin County, Alabama which is recorded at Instrument Number 899620 and modified at Instrument Number 1024750. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the August 10, 2009 second renewal note.
- 151. Under Crossroads Note One, Crossroads owes Hancock principal of \$702,435.66 that is due with interest, plus late charges.

# **Crossroads Note Two**

152. On or about January 24, 2008, Crossroads executed and delivered to

Hancock's predecessor in interest a promissory note in the original principal amount of \$3,470,219.00. On or about June 29, 2009, Crossroads executed and delivered to Hancock's predecessor in interest a renewal promissory note in the revised principal amount of \$3,123,719.00. A copy of the renewal note is attached and marked Exhibit KK.

- 153. Hancock owns and holds Crossroads Note Two by virtue of assignment from the FDIC as evidenced by Purchase and Assumption Agreement dated December 18, 2009.
- 154. Crossroads defaulted under Crossroads Note Two by failing to pay the note upon maturity.
- 155. The note dated January 24, 2008, as well as the renewals thereof, is secured by a mortgage dated January 24, 2008, on real property located in Mobile County, Alabama which is recorded at Official Records Book 6332, Page 754 in the office of the Judge of Probate in that county. The Plaintiff has elected to exercise the power of sale under the mortgage and upon completion of the foreclosure sale, the net proceeds shall constitute a credit against the balance outstanding on the June 29, 2009 renewal note.
- 156. Under Crossroads Note Two, Crossroads owes Hancock principal of \$779,830.25 that is due with interest, plus late charges.
- 157. Pursuant to Crossroads notes 1 and 2, Hancock claims its court costs and attorney's fees from Crossroads in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Crossroads for the aggregate principal balance outstanding on the 2 Crossroads notes of \$1,482,265.91, plus accrued interest, late charges, search and other fees, court costs and attorney's fees.

# **Count XV: Guaranties of Crossroads, LLC Promissory Note.**

- 158. Hancock re-alleges the allegations set forth in paragraphs 1, 3-5, 7-8, 11, 15-17, and Count XIV, above, as if fully set forth herein, and further alleges:
- 160. On or about August 10, 2009, Burke, Pennstar, Wolf Creek, Foley, and Cunningham executed and delivered to Hancock's predecessor in interest separate guaranties of Crossroads' indebtedness to Hancock under Crossroads Note One. Copies of the guaranties are attached and marked Composite Exhibit LL.
- 161. On or about June 29, 2009, Burke, Pennstar, Wolf Creek, Foley, and Cunningham executed and delivered to Hancock's predecessor in interest separate guaranties of Crossroads' indebtedness to Hancock under Crossroads Note Two. Copies of the guaranties are attached and marked Composite Exhibit MM.
- 162. Hancock owns and holds the guaranties by virtue of the same assignment from the FDIC that transferred the Crossroads notes.
- 163. Burke, Pennstar, Wolf Creek, Foley, and Cunningham each defaulted under their separate guaranties by failing to pay the indebtedness of Crossraods to Hancock, as agreed.
- 164. Under the guaranties, Burke, Pennstar, Wolf Creek, Foley, and Cunningham, individually, owe Hancock the aggregate principal of \$1,482,265.91 that is due with interest, plus late charges.
  - 165. The Plaintiff has elected to exercise the power of sale under the mortgages

securing the indebtedness underlying the guaranties. Upon completion of the foreclosure sales, the net proceeds shall constitute a credit against the balance outstanding on the underlying indebtedness and, therefore, the guaranties.

166. Pursuant to the guaranties executed by Burke, Pennstar, Wolf Creek, Foley, and Cunningham, Hancock claims its court costs and attorney's fees from same in an amount equal to that expended to bring and support this action.

**WHEREFORE**, Hancock requests judgment against Burke, Pennstar, Wolf Creek, Foley, and Cunningham in the principal amount of \$1,482,265.91, plus interest, late charges, court costs and attorney's fees.

# **Count XVI: Guaranties of Remington, LLC Promissory Note.**

- 167. Hancock re-alleges the allegations set forth in paragraphs 1, 3, 8, and 15-17, above, as if fully set forth herein, and further alleges:
- 168. On or about March 20, 2009, non-party Remington, LLC ("Remington") executed and delivered to Hancock's predecessor in interest a promissory note in the original principal amount of \$27,637.08. A copy of the note is attached and marked Exhibit NN.
- 169. Hancock owns and holds the note by virtue of assignment from the FDIC dated April 19, 2010, recorded on May 21, 2010, at Instrument number 1234634 in the Probate Records of Baldwin County, Alabama and attached as Exhibit OO.
- 170. Remington defaulted under the note by failing to pay the monthly installment payments as they came due thereunder.
- 171. On or about March 20, 2009, Burke and Wolf Creek executed and delivered to Hancock's predecessor separate unconditional guaranties of Remington's

indebtedness to Hancock under the note. Copies of the guaranties are attached and

marked Composite Exhibit PP.

172. Hancock owns and holds the guaranties by virtue of the same assignment

from the FDIC that transferred the note.

173. Burke and Wolf Creek each defaulted under their separate guaranties by

failing to pay the indebtedness of Remington to Hancock, as agreed.

174. Under the guaranties, Burke and Wolf Creek, individually, owe Hancock

principal of \$21,239.70 that is due with interest, plus late charges.

175. Pursuant to the guaranties executed by Burke and Wolf Creek, Hancock

claims its court costs and attorney's fees from same in an amount equal to that expended

to bring and support this action.

WHEREFORE, Hancock requests judgment against Burke and Wolf Creek in

the principal amount of \$21,239.70, plus interest, late charges, court costs and attorney's

fees.

Respectfully submitted,

/s/ Edward A. R. Miller

Jason "Jay" Watkins (WATKJ3882)

Edward A. R. Miller (MILLE7815)

Attorneys for Plaintiff Hancock Bank

OF COUNSEL:

JONES, WALKER, WAECHTER, POITEVENT,

CARRÈRE & DENÈGRE, LLP

254 State Street

Mobile, Alabama 36603

Telephone (251) 432-1414

Facsimile (251) 433-4106

emiller@joneswalker.com

jwatkins@joneswalker.com

# Plaintiff wishes to serve defendants by private process server at the following addresses:

Elite Development, LLC c/o Summit Construction Company, Inc., Registered Agent 14747 Underwood Road Summerdale, AL 36580

Clarence E. Burke, Jr.; Doc McDuffie Road Foley, AL 36535

John B. Foley, IV 111 South McKenzie Street Foley, AL 36535

Robert T. Cunningham, III; 200 Cumberland Road Fairhope, AL 36532

Benchmark Homes, Inc. c/o Robert T. Cunningham, III, Registered Agent 1290 Main Street, Suite E Daphne, AL 36526

Pennstar, LLC c/o Summit Construction Company, Registered Agent 12940 Underwood Road Summerdale, AL 36580

Wolf Creek Industries, Inc. c/o Clarence E. Burke, Jr., Registered Agent Doc McDuffie Road Foley, AL 36535

Stratosphere Land Holdings, Inc. c/o Summit Construction Company, Inc., Registered Agent 14747 Underwood Road Summerdale, AL 36580

Rustal, LLC c/o Magnolia River Management, LLC, Registered Agent 14747 Underwood Road Summerdale, AL 36580

Crossroads, LLC c/o Magnolia River Management, LLC, Registered Agent 14747 Underwood Road Summerdale, AL 36580

Country Club Development, LLC c/o Albert Corte, III, Registered Agent 200 Rock Creek Parkway
Fairhope, AL 36532

Albert Corte, III 200 Rock Creek Parkway Fairhope, AL 36532

AC 3, Inc. c/o Albert Corte, III, Registered Agent 200 Rock Creek Parkway Fairhope, AL 36532

# **EXHIBIT A**

#### PROMISSORY NOTE

	Principal \$207,540.64	Loan Date 05-16-2007	Maturity 05-16-2010	Loan No 4378337	Call / Coll	Account	Officer BW	Initials
r	References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item  Any dem above containing "has been omitted due to text length limitations							

**Borrower** 

Elite Development LLC P O Box 1629 Foley, AL 36538 Lender

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City FL 32412

Principal Amount \$207,540 64

Interest Rate 7 750%

Date of Note May 16, 2007

PROMISE TO PAY Elite Development, LLC ( Borrower ) promises to pay to Peoples First Community Bank ( Lender ) or order, in lawful money of the United States of America the principal amount of Two Hundred Seven Thousand Five Hundred Forty & 64/100 Dollars (\$207,540 64), together with interest at the rate of 7.750% per annum on the unpaid principal balance from May 16, 2007 until paid in full The interest rate may change under the terms and conditions of the INTEREST AFTER DEFAULT section

PAYMENT Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made. Borrower will pay this loan in 35 regular payments of \$2 213 13 each and one irregular last payment estimated at \$175 272 26. Borrower's first payment is due June 16, 2007 and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on May 16, 2010, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law payments will be applied first to any accrued unpaid interest, then to principal, then to any unpaid collection costs and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis, that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not unless agreed to by Lender in writing relieve Borrower of Borrowers obligation to continue to make payments under the payment schedule. Rather early payments will reduce the principal balance due and may result in Borrower smaking fewer payments. Borrower agrees not to send Lender payments marked paid in full without recourse or similar language. If Borrower sends such a payment Lender may accept it without losing any of Lender's rights under this Note and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts including any other payment instrument that indicates that the payment constitutes payment in full of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to Peoples First Community Bank CORPORATE CENTER. PO Box 59950, 1022 W 23rd St. Panama City. FL. 32412

LATE CHARGE If a payment is 15 days or more late. Borrower will be charged 5 000% of the regularly scheduled payment

INTEREST AFTER DEFAULT Upon default including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17 500% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT Each of the following shall constitute an event of default ( Event of Default ) under this Note

Payment Default Borrower fails to make any payment when due under this Note

Other Defaults Borrower fails to comply with or to perform any other term obligation covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term obligation covenant or condition contained in any other agreement between Lender and Borrower

False Statements Any warranty representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect either now or at the time made or furnished or becomes false or misleading at any time thereafter

Death or Insolvency The dissolution of Borrower (regardless of whether election to continue is made) any member withdraws from Borrower or any other termination of Borrower's existence as a going business or the death of any member the insolvency of Borrower the appointment of a receiver for any part of Borrower's property any assignment for the benefit of creditors any type of creditor workout or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower

Creditor or Forfeiture Proceedings Commencement of foreclosure or forfeiture proceedings whether by judicial proceeding self help repossession or any other method by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts including deposit accounts with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding in an amount determined by Lender in its sole discretion, as being an adequate reserve or bond for the dispute

Events Affecting Guarantor Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent or revokes or disputes the validity of or liability under any guaranty of the indebtedness evidenced by this Note In the event of a death Lender at its option may but shall not be required to permit the Guarantors estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender and in doing so cure any Event of Default

Adverse Change A material adverse change occurs in Borrower's financial condition or Lender believes the prospect of payment or performance of this Note is impaired

Insecurity Lender in good faith believes itself insecure

Cure Provisions If any default other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months it may be cured if Borrower after receiving written notice from Lender demanding cure of such default (1) cures the default within thirty (30) days or (2) if the cure requires more than thirty (30) days immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical

LENDER'S RIGHTS. Upon default. Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due and then Borrower will pay that amount

ATTORNEYS FEES EXPENSES Lender may hire or pay someone else to help collect this Note if Borrower does not pay Borrower will pay Lender the amount of these costs and expenses which includes subject to any limits under applicable law. Lender's reasonable attorneys fees and Lender's legal expenses whether or not there is a lawsuit including reasonable attorneys fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) and appeals. If not prohibited by applicable law. Borrower also will pay any court costs in addition to all other sums provided by law.

JURY WAIVER Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other

GOVERNING LAW This Note will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE If there is a lawsuit Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County State of Florida

RIGHT OF SETOFF To the extent permitted by applicable law Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking savings or some other account) This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender to the extent permitted by applicable law to charge or setoff all sums owing on the indebtedness against any and all such accounts and at Lender's option to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this provided in this option.

COLLATERAL Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County State of Alabama

CROSS COLLATERALIZATION All other collateral of Borrower now or hereafter pledged shall be collateral for this loan provided however that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa.

# PROMISSORY NOTE (Continued)

Loan No 4378337

Page 2

Assignment Pledge or other security instrument, all of even date hereof

PRIOR NOTE This Note is a renewal of the Promissory Note dated June 23 2004 and secured by the Mortgage dated June 23 2004 and recorded July 1 2004 in Instrument No 820543 and the Assignment of Rents recorded in Instrument No 820544 all in the Office of the Judge of Probate Baldwin County Alabama

SUCCESSOR INTERESTS The terms of this Note shall be binding upon Borrower and upon Borrower's heirs personal representatives successors and assigns and shall inure to the benefit of Lender and its successors and assigns

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address Peoples First Community Bank P O Box 59950 Panama City FL 32412 0950

GENERAL PROVISIONS This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's night to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay and Lender does not agree or intend to contract for charge collect take reserve or receive (collectively referred to herein as charge or collect.) any amount in the nature of interest or in the nature of a fee for this loan which would in any way or event (including demand prepayment or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthonized fee shall instead of anything stated to the contrary be applied first to reduce the principal balance of this loan and when the principal has been paid in full be refunded to Borrower Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs guarantees or endorses this Note to the extent allowed by law warve presentment demand for payment and notice of dishonor. Upon any change in the terms of this Note and unless otherwise expressly stated in writing no party who signs this Note whether as maker guarantor accommodation maker or release any party or guarantor or collateral or impair fail to realize upon or perfect Lender's security interest in the collateral and take any other action deemed necessary by Lender without the consent of or notice to anyone other than the party with whom the modification is made. The DROWENDER ACRESS TORROWENDER ACR

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE BORROWER AGREES TO THE TERMS OF THE NOTE

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE

BORROWER

ELITE DEVELOPMENT, LLC

SUMMIT CONSTRUCTION COMPANY INC , Manager of Elite Development, LLC

Clarence E Burke Jr., President of Summit

Construction Company, Inc

LASER PRO Landing Ver 6 33 00 004 Cop Hanterd Financial Solutions no: 997 2007 All Rights Reserved F w ICFRLP 1020 FC TR 26 43 PR-GENERA

# **EXHIBIT B**

#### RECORD & RETURN TO:

Hancock Bank

ATTN: Lending Services

P O Box 4020

Gulfport, MS 39502

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PREPARED BY. Shane Hutchinson LOAN # 4378337



#### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory Note dated May 16, 2007</u>, executed by Elite Development, LLC (the "Borrower"), in the original principal amount of <u>Two Hundred Seven Thousand Five Hundred Forty and 64 /100 Dollars (\$207,540.64</u>) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain Mortgage dated <u>June 23, 2004</u>, granted by the Borrower to Peoples First, and recorded in Official Records Book <u>820543</u>, Page 7, all of the public records of <u>Baldwin</u> County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business</u> Loan Agreement dated <u>May 16, 2007</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- D. That certain Commercial Guaranty dated May 16, 2007, from Clarence E. Burke, Jr., and that certain Commercial Guaranty dated May 16, 2007, from John B. Foley. IV, and that certain Commercial Guaranty dated May 16, 2007, from Robert T. Cunningham, III and that certain Commercial Guaranty dated May 16, 2007 from Benchmark Homes, Inc., in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on N/A, bearing Instrument No. \_\_\_\_\_, and recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- F. That certain Loan Policy of Title Insurance dated <u>July 1, 2004</u>, issued by First American Title Insurance Company, Loan Policy #<u>FA-31-835803</u>, in the amount of \$<u>233,750.00</u>, (hereinafter referred to as the "Title Policy");
- recorded in Official Records Book 8205544, page 5, of the public records of Baldwin County, Alabama; (hereinafter referred to as the "Assignment of Rents").
- H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, \_\_\_\_\_\_ County, case-styled \_\_\_\_\_, Case Number \_\_\_\_\_ (the "Claims").

The documents identified in paragraph(s) C, D, F and G above are hereinafter collectively referred to as the "Collateral Documents."

### 

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- Assignment of Claims. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- Representations and Warranties. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- Successors and Assigns. This Assignment shall mure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of April 29, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Julie M. Farlow Title / Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 29th day of April, 2010, within my jurisdiction, the within named Julie M. Farlow, who (check one) X is personally has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above analytogegoing instrument, after first having been duly authorized by said corporation so to do.

> Gmo-Tublic, Aeting in the State and County Aforesaid of Name) (1/1/2 / unt Name) 🔇

My Commission Number is: (See Notary Seal)

Commission Expires 04/18/2012

# **EXHIBIT C**

#### **PROMISSORY NOTE**

×.	Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer         Initials           \$1,746,700.00         09-17-2009         09-17-2011         4934451         WISEB         WISEB
٢	References in the boxes above are for Lendar's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$1,746,700.00

Date of Note: September 17, 2009

PROMISE TO PAY. Elite Development, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Seven Hundred Forty-six Thousand Seven Hundred & 00/100 Dollars (\$1,746,700.00), together with interest on the unpaid principal balance from September 17, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$1,746,700.00 plus interest on September 17, 2011. This payment due on September 17, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning October 17, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an Initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

REPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfetture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default. (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

### PROMISSORY NOTE (Continued)

Loan No: 4934451

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under loce versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated March 21, 2008 and is secured by the Real Estate Mortgage and Security Agreement dated May 10, 2006, recorded in Instrument #974898 in the Judge of Probate, Baldwin County and the First Modification to Real Estate Mortgage and Security Agreement dated September 14, 2006, recorded in Instrument #1001512 in the Judge of Probate, Baldwin County

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone. All such parties also agree that Lender may modify th

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

ELITE DEVELOPMENT, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Elite Development, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

# **EXHIBIT D**

# TIM RUSSELL PROBATE JUDGE Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 11 of 212 TOTAL AGE 1904: 43

#### **RECORD & RETURN TO:**

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Philomena J. Telker LOAN # 4934451

### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory</u> Note dated <u>September 17, 2009</u>, executed by <u>Elite Development, LLC</u> (the "Borrower"), in the original principal amount of <u>One Million Seven Hundred Forty-Six Thousand Seven Hundred and 00/100 Dollars (\$1,746,700.00</u>) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain First Real Estate Mortgage and Fixture Filing dated May 10, 2006, granted by Borrower to Peoples First, and recorded in Baldwin County, Alabama, as Instrument #974898 as amended by that certain First Modification to Real Estate Mortgage and Security Agreement dated September 14, 2006, and recorded in Baldwin County, Alabama, as Instrument #1001512, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business</u> Loan Agreement dated <u>September 17, 2009</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement"), and that certain <u>Commercial</u> Security Agreement dated <u>n/a</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Security Agreement");
- D. That certain <u>Commercial</u> Guaranty dated <u>September 17, 2009</u>, from <u>John B. Foley, IV</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>September 17, 2009</u>, from <u>Robert T. Cunningham, III</u>, that certain <u>Commercial</u> Guaranty dated <u>September 17, 2009</u>, from <u>Benchmark Homes, Inc.</u>, in favor of Peoples First, and that certain <u>Commercial</u> Guaranty dated <u>September 17, 2009</u>, from <u>Clarence E. Burke, Jr.</u>, in favor of Peoples First in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Alabama Secretary of State Registry on May 17, 2006, bearing Instrument No. B 06-0451631 FS, of the public records of Secretary of State, Alabama; and that certain UCC-1 Financing Statement from Borrower, as Debtor, and recorded on p/a in Official Records Book \_\_\_\_\_, Page\_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- F. That certain Loan Policy of Title Insurance dated May 12, 2006, issued by First American Title Insurance Company, Loan Policy #FA-31-1082848, in the amount of \$1,527,000.00 (hereinafter referred to as the "Title Policy");

G.	That certain Assignment of Rents dated n/a, and recorded in Official Records Book, Page
, of the	e public records of County, Florida (hereinafter referred to as the "Assignment");
	Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, it liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any soever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court,

County, case-styled \_\_\_\_\_, Case Number \_\_\_\_\_ (the "Claims").

### Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 12 of 212 PageID #: 44

The documents identified in paragraph(s)  $\underline{C}$  through  $\underline{F}$  above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of July 30, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Lisa L. Jones
Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the day of August, 2010, within my jurisdiction, the within named Lisa L. Jones, who (check one) X is personally known to me or \_\_\_\_ has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this

instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first

having been duly authorized by said corporation so to do.

Notary Public Acting in the State and County Afores
(Print Name)

My Commission Expires: (See Notary Seal)

My Commission Number is: (See Notary Seal)

,

ID # 88001

RHONDA BOUNDS

Commission Expires

#### **EXHIBIT "A"**

Issuing Office File No.: M-0705-16056

LEGAL DESCRIPTION:

**?** ?

"Commencing at the Northeast corner of the Northwest Quarter of the Southeast Quarter of Section 8, Township 7 South, Range 3 East, Baldwin County, Alabama; run thence South 89 degrees 49 minutes 49 seconds West a distance of 2545.36 feet; run thence South 00 degrees 09 minutes 45 seconds East a distance of 1512.00 feet to the point of beginning of the property herein described; continue thence South 00 degrees 09 minutes 45 seconds East a distance of 242.26 feet; run thence South 89 degrees 50 minutes 15 seconds West a distance of 897.85 feet to the East line of Baldwin County Highway Number 9; thence run North 01 degrees 03 minutes 22 seconds East along said East line a distance of 242.32 feet; thence run North 89 degrees 50 minutes 15 seconds East a distance of 892.69 feet to the point of beginning."

(DESCRIPTION COPIED FROM THAT STATUTORY WARRANTY DEED, RECORDED AT INSTRUMENT NO. 771497, PROBATE RECORDS, BALDWIN COUNTY, ALABAMA).

# **EXHIBIT E**

#### PROMISSORY NOTE

	Principal:         Loan Date         Maturity         Loan No.         Call / Coll         Account         Officer         Initials           \$571,000.00         10-13-2009         10-13-2011         4924817         BW
r	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "**" has been omitted due to text length limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$571,000.00

Date of Note: October 13, 2009

PROMISE TO PAY. Elite Development, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Five Hundred Seventy-one Thousand & 00/100 Dollars (\$571,000.00), together with interest on the unpaid principal balance from October 13, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$571,000.00 plus Interest on October 13, 2011. This payment due on October 13, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning November 13, 2009, with all subsequent Interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lencer payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or ilmitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box \$9950, 1022 W 23rd St., Panama City, Fl. 32412.

LATE CHARGE. If a payment is 15 days or more late. Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleacing in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficien: to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

#### **PROMISSORY NOTE** (Continued)

Loan No: 4924817

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower had someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff eights provided in this preserves. rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa.

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated November 19, 2008 and is secured by the First Real Estate Mortgage and Fixture Filing dated May 1, 2006, recorded in Instrument Number 972617 in the Office of the Judge of Probate, Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(les) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of \_ender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan, which would in Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this l

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

ELITE DEVELOPMENT, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Elite Development, LLC

E. Burke, Jr., Clarence President of Summit

Construction Company, Inc.

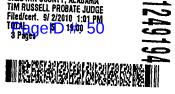
**EXHIBIT F** 

### Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 18 of 212

**RECORD & RETURN TO:** 

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Philomena J. Telker LOAN # 4924817



### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory</u> Note dated <u>October 13, 2009</u>, executed by <u>Elite Development, LLC</u> (the "Borrower"), in the original principal amount of <u>Five Hundred Seventy-One Thousand and 00/100 Dollars</u> (\$571,000.00) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain First Real Estate Mortgage and Fixture Filing dated May 1, 2006, granted by Borrower to Peoples First, and recorded as Instrument Number 972617, of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business</u> Loan Agreement dated <u>October 13, 2009</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement"), and that certain <u>Commercial</u> Security Agreement dated <u>n/a</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Security Agreement");
- D. That certain <u>Commercial</u> Guaranty dated <u>October 13, 2009</u>, from <u>John B. Foley, IV</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>October 13, 2009</u>, from <u>Benchmark Homes, Inc.</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>October 13, 2009</u>, from <u>Robert T. Cunningham, III</u>, in favor of Peoples First, and that certain <u>Commercial</u> Guaranty dated <u>October 13, 2009</u>, from <u>Clarence E. Burke, Jr.</u>, in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Alabama Secretary of State Registry on May 3, 2006, bearing Instrument No. B-06-0406790FS, of the public records of Secretary of State, Florida; and that certain UCC-1 Financing Statement from Borrower, as Debtor, and recorded on n/a in Official Records Book \_\_\_\_\_, Page\_\_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- F. That certain Loan Policy of Title Insurance dated May 3, 2006, issued by First American Title Insurance Company, Loan Policy #FA-31-0182823, in the amount of \$1,646,500.00 (hereinafter referred to as the "Title Policy");
- G. That certain Assignment of Rents dated n/a, and recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter referred to as the "Assignment");

  H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights,
- damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, \_\_\_\_\_ County, case-styled \_\_\_\_\_, Case Number \_\_\_\_\_ (the "Claims").

### Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 19 of 212 PageID #: 51

The documents identified in paragraph(s) <u>C through F</u> above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note.
   Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. Representations and Warranties. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of July 30, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Lisa L. Jones Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the day of 2010, 2010, within my jurisdiction, the within named Lisa L. Jones, who (check one) X is personally known to me or has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this

instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

y

Notary Public Acting in the State and County Aforesa (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

ID # 88001
RHONDA BOUNDS
Commission Expires
04/28/2012

and the second s

#### EXHIBIT "A"

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 3 EAST, BALDWIN COUNTY, ALABAMA, AS SHOWN ON PLAT OF SOUTH MARLOW SUBDIVISION AND AS RECORDED IN MAP BOOK 4, PAGE 229; THENCE SOUTH ALONG THE WEST LINE OF SAID SUBDIVISION AND AN EXTENSION THEREOF FOR 1958.44 FEET TO THE CENTERLINE OF AN EXISTING ROADWAY; THENCE SOUTH 88 DEGREES 26 MINUTES 53 SECONDS WEST ALONG SAID CENTERLINE FOR 448.71 FEET AND POINT OF BEGINNING, SAID POINT HEREAFTER REFERRED TO AS POINT "A"; THENCE CONTINUE SOUTH 88 DEGREES 26 MINUTES 53 SECONDS WEST ALONG SAME COURSE FOR 254.59 FEET; THENCE SOUTH 00 DEGREES 40 MINUTES 46 SECONDS WEST FOR 195.14 FEET MORE OR LESS TO THE WATERS EDGE OF FISH RIVER; THENCE NORTHEASTERLY, SOUTHEASTERLY, SOUTHWESTERLY AND SOUTHEASTERLY ALONG THE MEANDERINGS OF SAID WATERS EDGE TO A POINT BEARING SOUTH 27 DEGREES 12 MINUTES 20 SECONDS WEST FROM SAID POINT "A"; THENCE NORTH 27 DEGREES 12 MINUTES 20 SECONDS EAST FOR 404.27 FEET MORE OR LESS TO THE POINT OF BEGINNING.

TOGETHER WITH A NON-EXCLUSIVE EASEMENT FOR THE PURPOSE OF INGRESS DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 3 EAST, BALDWIN COUNTY, ALABAMA, AS SHOWN ON PLAT OF SOUTH MARLOW SUBDIVISION AND AS RECORDED IN MAP BOOK 4, PAGE 229; THENCE SOUTH ALONG THE WEST LINE OF SAID SUBDIVISION AND AN EXTENSION THEREOF FOR OF 1958.44 FEET TO THE POINT OF BEGINNING OF THE EASEMENT HEREIN DESCRIBED; THENCE SOUTH 88 DEGREES 26 MINUTES 53 SECONDS WEST, FOR 703.39 FEET TO THE TERMINUS OF THE DESCRIPTION, BEING THE CENTERLINE OF A 20 FOOT WIDE INGRESS/EGRESS EASEMENT LYING 10 FEET ON EACH SIDE OF SAID CENTERLINE, AND ALSO BEING PART OF THE SOUTH 20 FEET TO THAT CERTAIN PROPERTY AS DESCRIBED AS PARCEL "B" IN THE CONVEYANCE FROM W.C. DAVIS AND DORA E. DAVIS TO WELDON R. PAYNE AND PAULA W. PAYNE, DATED FEDURALY 4, 1981, AND RECORDED IN REAL PROPERTY BOOK \$ 84, PAGE 1450~57.

# **EXHIBIT G**

#### PROMISSORY NOTE

\$877,860.00   06-29-2009   06-29-2011   45981	O Call / Coll Account Officer Initials BW.
References in the hoxes above are for Lender's use only and do no	limit the applicability of this document to any particular loan or item.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536

Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$877,860.00

Date of Note: June 29, 2009

PROMISE TO PAY. Elite Development, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eight Hundred Seventy-seven Thousand Eight Hundred Sixty & 00/100 Dollars (\$877,860.00), together with interest on the unpaid principal balance from June 29, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$877,860.00 plus Interest on June 29, 2011. This payment due on June 29, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 29, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of Interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law. rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Begin or insolvency. The dissolution of Borrower (logarities or the death of any member, the Insolvency of Borrower, the appointment of a receiver for any part of Borrower's existence as a going business or the death of any member, the Insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, Creditor or Forfeiture Proceedings. Commencement of torecosure or rotellure proceedings, whather by plateal pictoreshings, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower laws and the property content of the property conte also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State

#### PROMISSORY NOTE (Continued)

Loan No: 4598199

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff telebre received in this programme. rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated May 22, 2008 and secured by the Fee Simple and Leasehold Real Estate Mortgage and Fixture Filing given by Elite Development, LLC, an Alabama limited liability company to Peoples First Community Bank dated May 9, 2005 and recorded May 23, 2005 in Instrument No. 893414 in the Office of the Judge of Probate, Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the unautionized lies shall, inslead of anything stated to the contrary, be applied first to reduce the principal balance of this loah, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

LASER PRO Landing, Vor. 5.45 00 004 Copy Harland Financial Solutions, Inc. 1997, 2009. All Rights Reserved. FL WICFNLPL 1020 FC TR-353-8 PR-GENERA

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

ELITE DEVELOPMENT, LLC

NSTRUCTION COMPANY, INC., Manager of Elite Development, LLC

E. Burke, President of Summit

Construction Company, Inc.

# **EXHIBIT H**

Long Beach, MS 39560

as the "Collateral Documents."

BALDWIN COUNTY, ALABAMA JUDGE ADMANT JURNS 5 / Filed/cert. 4/ 6/2010 11:21 AM TOTAL \$ 16.00 2 Pages

2749

PREPARED BY, RECORD & RETURN TO: MARY BUSH Hancock Bank
Attn: Lending Services
206 E. Railroad Street

ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS
(v. 030510)

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

That certain Promissory Note dated May 9, 2005 executed by Elite Development LLC.

The documents identified in paragraphs B through D & F above are hereinafter collectively referred to

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of March 25, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Lisa L. Jones
Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 25th day of March, 2010, within my jurisdiction, the within named Lisa L. Jones, who (check one) X is personally known to me or has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public, Acting in the State and County Aforesaid (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

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# **COMPOSITE EXHIBIT I**

#### COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Çali / Coli	Account	Officer BW	Initials
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item  Any item above containing.*** has been omitted due to text length limitations.							

Borrower

Elite Development, LLC P O Box 1629 Foley AL 36536

Lender

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor Clarence E Burke Jr

P O Box 1629 Foley AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE For good and valuable consideration. Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order on demand in legal tender of the United States of America, in same-day funds without set off or deduction or counterclaim and will otherwise perform Borrower's obligations under the Note and Related Documents

INDEBTEDNESS The word Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law reasonable attorneys fees arising from any and all debts liabilities and obligations that Borrower individually or collectively or interchangeably with others lower or will owe Lender under the Note and Related Documents and any renewals extensions modifications refinancings consolidations and substitutions of the Note and

If Lender presently holds one or more guaranties or hereafter receives additional guaranties from Guarantior Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS The words Guarantor's Share of the Indebtedness as used in this Guaranty mean 100 000% of all the principal amount interest thereon to the extent not prohibited by law and all collection costs expenses and reasonable attorneys fees whether or not there is a lawsuit and if there is a lawsuit and if there is a lawsuit and if there is a lawsuit and costs for trial and appeals

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty but will not be reduced by sums from any other source including but not limited to sums realized from any collateral securing the Indebtedness or this Guaranty or payments by anyone other than Guarantor or reductions by operation of law judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time

DURATION OF GUARANTY This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender or any notice to Guarantor or to Borrower and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantors other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty

GUARANTOR'S AUTHORIZATION TO LENDER Guarantor authorizes Lender without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time (A) to make one or more additional secured or unsecured loans to Borrower to lease equipment or other goods to Borrower or otherwise to extend additional credit to Borrower (B) to alter compromise renew extend accelerate or otherwise other goods to borrower or otherwise to extend additional credit to borrower (B) to after compromise renew extend accelerate or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness including increases and decreases of the rate of interest on the Indebtedness extensions may be repeated and may be for longer than the original loan term. (C) to take and hold security for the payment of this Guaranty or the Indebtedness and exchange enforce waive subordinate fail or decide not to perfect and release any such security with or without the substitution of new collateral. (D) to release substitute agree not to sue or deal with any one or more of Borrower's surfess endorsers or other guarantors on any terms or in any manner Lender may choose. (E) to determine how when and what application of payments and credits shall be made on the Indebtedness. (F) to apply such security and direct the order or manner of sale thereof including without imitation, any conjudical sale permitted by the terms of the controlling security agreement or deep of trust as Lender, in the discretion may determine. limitation any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust as Lender in its discretion may determine (G) to sell transfer assign or grant participations in all or any part of the Indebtedness and (H) to assign or transfer this Guaranty in whole or in part

GUARANTOR S REPRESENTATIONS AND WARRANTIES Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty (B) this Guaranty is executed at Borrower's request and not at the request of Lender (C) Guarantor has full power right and authority to enter into this Guaranty (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law regulation court decree or order applicable to Guarantor (E) Guarantor has not and will not without the prior written consent of Lender sell lease assign encumber hypothecate transfer or otherwise dispose of all or substantially all of Guarantor's assets or any interest therein upon Lender's request Guarantor will provide to Lender financial and credit information in form acceptable to Lender and all such financial information which currently has been and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition (H) no litigation claim investigation administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor grees to keep adequately informed from such means of any facts events or circumstances which might in any way affect Guarantor's risks under this Guaranty and Guarantor further agrees that absent a request for information. Lender shall have no obligation to disclose to Guarantor, any information or documents acquired by Lender in the course of its relationship with Borrowei

GUARANTOR S FINANCIAL STATEMENTS Guarantor agrees to furnish Lender with the following

Annual Statements As soon as available but in no event later than thirty (30) days after the end of each fiscal year. Guarantor's balance sheet and income statement for the year ended prepared by Guarantor in form satisfactory to Lender

Tax Returns As soon as available but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended Federal and other governmental tax returns prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP applied on a consistent basis and certified by Guarantor as being true and correct

GUARANTOR'S WAIVERS Except as prohibited by applicable law Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower (B) to make any presentment protest demand or notice of any kind including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral or notice of any action or nonaction on the part of Borrower Lender any surety endorser or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations payment or to proceed directly or at once against any person including Bo rower or any other guarantor. (D) to proceed directly against or exhaust any collateral held by Lender from Borrower any other guarantor or any other person. (E) to pursue any other remedy within Lender's power or (F) to commit any act or omission of any kind or at any time with respect to any matter whatsoever

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including but not limited to any rights or defenses arising by reason of (A) any one action or anti-deficiency law or any other law which may prevent Lender from bringing any action including a claim for deficiency against Guarantor before or after Lender's commencement or completion of any foreclosure action either judicially or by exercise of a power of sale (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement including without limitation any loss of rights Guarantor may suffer by reason of any law limiting qualifying or discharging the Indebtedness (C) any disability or other defense of Borrower of any other guarantor or of any other person or by reason of the cessation of Borrower's liability from any cause whatsoever other than payment in full in legal tender of the Indebtedness (D) any right to claim discharge of the Indebtedness (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness (E) any statute of limitations if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Indebtedness which is not barred by any

## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 2

Indebtedness If payment is made by Borrower whether voluntarily or otherwise or by any third party on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff counterclaim counter demand recoupment or similar right whether such claim demand or right may be asserted by the Borrower the Guarantor or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF To the extent permitted by applicable law Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking savings or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender to the extent permitted by applicable law to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR Guarantor agrees that the Indebtedness whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower whether or not Borrower becomes insolvent Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower upon any account whatsoever to any claim that Lender may now or hereafter have against Borrower in the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy by an assignment for the benefit of creditors by voluntary liquidation or otherwise the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower provided however that such assignment shall be effective only for the purpose of assuring to Lender ful payment in legal tender of the Indebtedness. If Lender so requests any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees and Lender is hereby authorized in the name of Guarantor from time to trine to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect preserve and enforce its rights under this Guaranty.

GARNISHMENT Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings in accordance with Section 222 11 Florida Statutes in order to satisfy in whole or in part, any money judgment entered in favor of Lender

MISCELLANEOUS PROVISIONS The following miscellaneous provisions are a part of this Guaranty

Amendments This Guaranty together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys Fees Expenses Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's reasonable attorneys fees and Lender's legal expenses incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys fees and legal expenses whether or not there is a lawsuit including reasonable attorneys fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) appeals and any anticipated post judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty

Governing Law This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of

Choice of Venue If there is a lawsuit Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County State of Florida

Integration Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty Guarantor has had the opportunity to be advised by Guarantors attorney with respect to this Guaranty the Guaranty fully reflects Guarantors intentions and parol evidence is not required to interpret the terms of this Guaranty Guarantor hereby indemnifies and holds Lender harmless from all losses claims and costs (including Lenders attorneys fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties representations and agreements of this paragraph

Interpretation In all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor the words. Borrower and Guarantor respectively shall mean all and any one or more of them. The words Guarantor Borrower and "Lender include the heirs successors assigns and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty way be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations partnerships limited liability companies or similar entities it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers directors partners managers or other agents acting or purporting to act on their behalf and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices Any notice required to be given under this Guaranty shall be given in writing and shall be effective when actually delivered when actually received by telefacsimile (unless otherwise required by law) when deposited with a nationally recognized overnight courier or if mailed when deposited in the United States mail as first class certified or registered mail postage prepaid directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties specifying that the purpose of the notice is to change the party's address. For notice purposes Guarantor agrees to keep Lender informed at all times of Guarantor current address. Unless otherwise provided or required by law if there is more than one Guarantor any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender 
Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender 
No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender is right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender nor any course of dealing between Lender and Guarantor shall constitute a waiver of any of Lender's rights or of any of Guarantors obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest this Guaranty shall be binding upon and inure to the benefit of the parties their successors and assigns

Waive Jury Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by either Lender or Guarantor against the other

CROSS-COLLATERALIZATION All other collateral of Guarantor now or hereafter pledged to Lender shall be collateral for this loan provided however that any interest in Guarantors primary residence or Guarantors household goods and furnishings are excepted unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.

**DEFINITIONS** The following capitalized words and terms shall have the following meanings when used in this Guaranty Unless specifically stated to the contrary all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

**Borrower** The word Borrower means Elite Development LLC and includes all co signers and co makers signing the Note and all their successors and assigns

GAAP The word GAAP" means generally accepted accounting principles

Clarenter. The lord Clarenter means alan one skin on this Guaranty incliding without limitation Clarence Fig. Rike. In land in each case

## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 3

Guarantor's Share of the Indebtedness The words Guarantor's Share of the Indebtedness mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty

Guaranty The word Guaranty\* means this guaranty from Guarantor to Lender

Indebtedness The word Indebtedness means Borrower's indebtedness to Lender as more particularly described in this Guaranty

Lender The word "Lender means Peoples First Community Bank its successors and assigns

Note The word "Note means the promissory note dated May 16 2007 in the original principal amount of \$207,540 64 from Borrower to Lender together with all renewals of extensions of modifications of refinancings of consolidations of and substitutions for the promissory note or agreement

Related Documents The words Related Documents mean all promissory notes credit agreements loan agreements environmental agreements guaranties security agreements mortgages and all other instruments agreements and documents whether now or hereafter existing executed in connection with the Indebtedness

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED DURATION OF GUARANTY NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE THIS GUARANTY IS DATED MAY 16 2007

GUARANTOR /	
Clarence E Burke, Jr	
INDIVIDUAL A	CKNOWLEDGMENT
STATE OF Olabama	)
	) SS
COUNTY OF Balduin	)
Y	
The foregoing instrument was acknowledged before me this	day of 1 / 20 20 roduced as identification and did / did
not take an cath	
	Mars Latin
	(Signature of Person Taking Acknowledgment)
	MARIE TATUM
	(Name of Acknowledger Typed Printed or Stamped)
	(Title or Rank)
	(Title of Frank)
	(Serial Number if any)

LASER PRO Landing Var 5:30:00:004 Cop Harland Financial Solutions Inc. 99: 200. All Rights Reserved. F = CFILPLE20 FC TR-28: 43 PR-GENERAL

#### COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer BW	Initials	
References in t	References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item							

Borrower

Elite Development LLC P O Box 1629 Foley AL 36536

Lender

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor John B Foley IV P O Box 1629 Foley AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE For good and valuable consideration. Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order on demand in legal tender of the United States of America in same-day funds without set off or deduction or equarerizers and will otherwise perform Borrower's obligations under the Note and Belated Documents. counterclaim and will otherwise perform Borrower's obligations under the Note and Related Documents

INDEBTEDNESS The word "Indebtedness as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law reasonable attorneys fees arising from any and all debts liabilities and obligations that Borrower individually or collectively or interchangeably with others lowes or will owe Lender under the Note and Related Documents and any renewals extensions modifications refinancings consolidations and substitutions of the Note and Related Documents

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DURATION OF GUARANTY This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender or any notice Guarantor or to Borrower and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantors other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER Guarantor authorizes Lender without notice or demand and without lessening Guarantor's liability under this Guaranty from time to time (A) to make one or more additional secured or unsecured loans to Borrower to lease equipment or liability under this Guaranty from time to time (A) to make one or more additional secured or unsecured loans to Borrower to lease equipment or other goods to Borrower or otherwise to extend additional credit to Borrower (B) to after compromise renew extend accelerate or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness including increases and decreases of the rate of interest on the Indebtedness extensions may be repeated and may be for longer than the original loan term. (C) to take and hold security for the payment of this Guaranty or the Indebtedness and exchange enforce waive subordinate fail or decide not to perfect and release any such security with or without the substitution of new collateral. (D) to release substitute agree not to sue or deal with any one or more of Borrowers sureties endorsers or other guarantors on any terms or in any manner Lender may choose. (E) to determine how when and what application of payments and credits shall be made on the Indebtedness. (F) to apply such security and direct the order or manner of sale thereof including without limitation any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust as Lender in its discretion may determine. (G) to sell transfer assign or grant participations in all or any part of the Indebtedness. (H) to assign or transfer this Guaranty in whole or in part

GUARANTOR'S REPRESENTATIONS AND WARRANTIES Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty (B) this Guaranty is executed at Borrower's request and not at the request of Lender (C) Guarantor has full power right and authority to enter into this Guaranty (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law regulation court decree or order applicable to Guarantor (E) Guarantor has not and will not without the prior written consent of Lender sell lease assign encumber hypothecate transfer or otherwise dispose of all or substantially all of Guarantor's assets or any interest therein Lender sell lease assign encumber hypothecate transfer or otherwise dispose of all or substantially all of Guarantor's assets or any interest meren (F) upon Lender's request Guarantor will provide to Lender financial and credit information in form acceptable to Lender and all such financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided. (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition. (H) no litigation claim investigation administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened. (I) Lender has made no representation to Guarantor as to the creditivorithiness of Borrower and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrowers financial condition. Guarantor agrees to keep adequately informed from such means of any facts events or circumstances which might in any way affect Guarantor's risks under this Guaranty and Guarantor further agrees that absent a request for information Lender shall have no obtaining to disclose to Guarantor any information or documents accounted by Lender in the course of its relationship with Borrower. obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower

GUARANTOR S FINANCIAL STATEMENTS Guarantor agrees to furnish Lender with the following

Annual Statements As soon as available but in no event later than thirty (30) days after the end of each fiscal year. Guarantor's balance sheet and income statement for the year ended prepared by Guarantor in form satisfactory to Lender

Tax Returns As soon as available but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended Federal and other governmental tax returns prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP applied on a consistent basis and certified by Guarantor as being true and correct

GUARANTOR'S WAIVERS Except as prohibited by applicable law Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower (B) to make any presentment protest demand or notice of any kind including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral or notice of any action or nonaction on the part of Borrower Lender any surety endorser or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations (C) to resort for payment or to proceed directly or at once against any person including Borrower or any other guarantor (D) to proceed directly against or exhaust any collateral held by Lender from Borrower any other guarantor or any other person (E) to pursue any other remedy within Lender's power or (F) to commit any act or omission of any kind or at any time with respect to any matter whatsoever

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including but not limited to any rights or defenses arising by reason of (A) any one action or anti-deficiency law or any other law which may prevent Lender from bringing any action including a claim for deficiency against Guarantor before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale. (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's nghts to proceed against Borrower for reimbursement including without limitation any loss of rights Guarantor may suffer by reason of any law limiting qualifying or discharging the Indebtedness (C) any disability or other defense of Borrower of any other guarantor or of any other person or by reason of the cessation of Borrower's liability from any cause whatsoever other than payment in full in legal tender of the Indebtedness (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness. (E) any statute of limitations if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any

## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 2

Indebtedness If payment is made by Borrower whether voluntarily or otherwise or by any third party on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff counterclaim counter demand recoupment or similar right whether such claim demand or right may be asserted by the Borrower the Guarantor or both

GUARANTOR S UNDERSTANDING WITH RESPECT TO WAIVERS Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that under the circumstances the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF To the extent permitted by applicable law Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking savings or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender to the extent permitted by applicable law to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR Guarantor agrees that the Indebtedness whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower whether or not Borrower becomes insolvent Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower upon any account whatsoever to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation or of the assets of Borrower through bankruptcy by an assignment for the benefit of creditors by voluntary liquidation or otherwise the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be park to Lender and shall be first appied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower provided however that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees and Lender is hereby authorized in the name of Guarantor from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect preserve and enforce its rights under this Guaranty.

GARNISHMENT Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings in accordance with Section 222 11 Florida Statutes in order to satisfy in whole or in part, any money judgment entered in favor of Lender

MISCELLANEOUS PROVISIONS The following miscellaneous provisions are a part of this Guaranty

Amendments This Guaranty together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys Feas Expenses Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's reasonable attorneys fees and Lender's legal expenses incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys fees and legal expenses whether or not there is a lawsuit including reasonable attorneys fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) appeals and any anticipated post judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty

Governing Law This Guaranty will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Choice of Venue If there is a lawsuit Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County State of Florida

Integration Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty Guarantor hereby indemnifies and holds Lender harmless from all losses claims damages and costs (including Lender's attorneys fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties representations and agreements of this paragraph

Interpretation in all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require and where there is more than one Borrower named in this Guaranty is executed by more than one Boarantor the words "Borrower and Guarantor respectively shall mean all and any one or more of them. The words "Guarantor" "Borrower" and "Lender" include the heirs successors assigns and transferees of each of them if a court finds that any provision of this Guaranty is not valid or should not be enforced that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore a court will enforce the rest of the provisions of this Guaranty event if a provision of this Guaranty way be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations partnerships limited liability companies or similar entities it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers directors partners managers or other agents acting or purporting to act on their behalf and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices Any notice required to be given under this Guaranty shall be given in writing and shall be effective when actually delivered when actually received by telefacs/mile (unless otherwise required by faw) when deposited with a nationally recognized overnight courier or if mailed when deposited in the United States mail as first class certified or registered mail postage prepaid directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties specifying that the purpose of the notice is to change the party siddress. For notice purposes Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law if there is more than one Guarantor any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender nor any course of dealing between Lender and Guarantor shall constitute a waiver of any of Lender's rights or of any of Guarantors obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantors interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns

Waive Jury Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other

CROSS COLLATERALIZATION All other collateral of Guarantor now or hereafter pledged to Lender shall be collateral for this loan provided however that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.

**DEFINITIONS** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

Borrower The word Borrower means Elite Development LLC and includes all co signers and co makers signing the Note and all their successors and assigns

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GAAP The word GAAP\* means generally accepted accounting principles

## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 3

Guarantor's Share of the Indebtedness The words Guarantor's Share of the Indebtedness mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty

Guaranty The word Guaranty means this guaranty from Guarantor to Lender

Indebtedness The word Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty

Lender The word "Lender" means Peoples First Community Bank its successors and assigns

Note The word Note means the promissory note dated May 16 2007 in the original principal amount of \$207,540 64 from Borrower to Lender together with all renewals of extensions of modifications of refinancings of consolidations of and substitutions for the promissory note or agreement

Related Documents The words Related Documents mean all promissory notes credit agreements loan agreements environmental agreements guaranties security agreements mortgages deeds of trust security deeds collateral mortgages and all other instruments agreements and documents whether now or hereafter existing executed in connection with the Indebtedness

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS IN ADDITION EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED DURATION OF GUARANTY NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE THIS GUARANTY IS DATED MAY 16, 2007

GUARANTOR

X John B Goley IV

INDIVIDUAL ACKNOWLEDGMENT
STATE OF Olabama )
) SS
COUNTY OF Baldwin
The foregoing instrument was acknowledged before me this 1674 day of 20 2007 by John B Foley IV, who is personally known to me or who has produced as identification and did / did not ake an oath
Marie Tatum
(Signature of Person Taking Acknowledgment)
(Name of Acknowledger Typed Printed or Stamped)
(Title or Rank)
(Serial Number if any)

LASER PRO Landing Ve \$33.00.004 Copr He land Pinancial Sal bone no 987 200. Al Rights Pinancial Ft, w/C RLPs, E30 PC R-26 43 PR CENERAL

#### **COMMERCIAL GUARANTY**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer BW	Initials
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item  Any tem above containing "has been critited due to text length limitations							

Borrower

Elite Development, LLC P O Box 1629 Foley, AL 36536 Lender

Peoples First Community Bank CORPORATE CENTER PO Box 5950 1022 W 23rd St Panama City, FL 32412

Guarantor Robert T Cunningham III

P O Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE For good and valuable consideration. Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order on demand in legal tender of the United States of America, in same day funds, without set off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS The word indebtedness as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law reasonable attorneys fees arising from any and all debts liabilities and obligations that Borrower individually or collectively or interchangeably with others owes or will owe Lender under the Note and Related Documents and any renewals extensions modifications refinancings consolidations and substitutions of the Note and Related Documents

If Lender presently holds one or more guaranties or hereafter receives additional guaranties from Guarantor Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

**GUARANTOR'S SHARE OF THE INDEBTEDNESS** The words Guarantor's Share of the Indebtedness as used in this Guaranty mean 100 000% of all the principal amount interest thereon to the extent not prohibited by law and all collection costs expenses and reasonable attorneys fees whether or not there is a lawsuit and if there is a lawsuit any fees and costs for trial and appeals

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty but will not be reduced by sums from any other source including but not limited to sums realized from any collateral securing the Indebtedness or this Guaranty or payments by anyone other than Guarantor or reductions by operation of law judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time

DURATION OF GUARANTY This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender or any notice to Guarantor or to Borrower and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor of the Indebtedness shall not affect the liability of Guarantor under this Guaranty A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty

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## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 2

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Choice of Venue If there is a lawsuit Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County State of Florida

Integration Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty Guarantor hereby indemnifies and holds Lender harmless from all losses claims damages and costs (including Lender's attorneys fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties representations and agreements of this paragraph

Interpretation In all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor the words. Borrower and Guarantor respectively shall mean all and any one or more of them. The words. Guarantor Borrower and 'Lender include the heirs successors assigns and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations partnerships limited liability companies or similar entities it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers directors partners managers or other agents acting or purporting to act on their behalf and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices Any notice required to be given under this Guaranty shall be given in writing and shall be effective when actually delivered when actually received by telefacsimile (unless otherwise required by law) when deposited with a nationally recognized overnight courier or if mailed when deposited in the United States mail as first class certified or registered mail postage prepaid directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties specifying that the purpose of the notice is to change the party's address. For notice purposes Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law if there is more than one Guarantor any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender nor any course of dealing between Lender and Guarantor shall constitute a waiver of any of Lender's rights or of any of Guarantors obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest this Guaranty shall be binding upon and inure to the benefit of the parties their successors and assigns

Waive Jury Lender and Guarantor hereby walve the right to any jury trial in any action proceeding, or counterclaim brought by either Lender or Guarantor against the other

CROSS COLLATERALIZATION All other collateral of Guarantor now or hereafter pledged to Lender shall be collateral for this loan provided however that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.

DEFINITIONS The following capitalized words and terms shall have the following meanings when used in this Guaranty Unless specifically stated to the contrary all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

Borrower The word Borrower means Elite Development LLC and includes all co signers and co makers signing the Note and all their successors and assigns

GAAP The word "GAAP" means generally accepted accounting principles

Guarantor The word Guarantor means everyone signing this Guaranty including without limitation Robert T Cunningham III and in each case

## COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 3

Guarantor's Share of the Indebtedness The words Guarantor's Share of the Indebtedness mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty

Guaranty The word Guaranty means this guaranty from Guarantor to Lender

Indebtedness The word Indebtedness means Borrower's indebtedness to Lender as more particularly described in this Guaranty

Lender The word Lender means Peoples First Community Bank its successors and assigns

Note The word Note means the promissory note dated May 16 2007 in the original principal amount of \$207,540,64 from Borrower to Lender together with all renewals of extensions of modifications of refinancings of consolidations of and substitutions for the promissory note or agreement

Related Documents The words Related Documents mean all promissory notes credit agreements loan agreements environmental agreements guaranties security agreements mortgages deeds of trust security deeds collateral mortgages and all other instruments agreements and documents whether now or hereafter existing executed in connection with the indebtedness

agreements and documents whether now or hereafter existing ex	
TERMS IN ADDITION, EACH GUARANTOR UNDERSTANDS THE	I READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS AT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND ARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH MAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY
GUARANTOR	
X Robert T Cunningham III	
INDIVIDUAL	ACKNOWLEDGMENT
STATE OF <u>Alabama</u>	)
COUNTY OF Baldwin	) SS )
The foregoing instrument was acknowledged before me this 181 by Robert T Cunningham III, who is personally known to me or who it did not take an oath	Has produced day of
	m. It
	(Signature of Person Taking Acknowledgment)
	MARIE TATUM
	(Name of Acknowledger Typed Printed or Stamped)
	(Title or Rank)
	(Senal Number if any)

LASER PRO Landing Ve 8 \$3,00 004 Cop Harland Financial Scheene no 99 7007 All Rights Reserved FL w/CFILIP, E20 C TR-26 43 PR-DENERA

#### **COMMERCIAL GUARANTY**

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer BW	Initials	
References in	References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item  Any item above containing *** has been omitted due to text length limitations							

Borrower

Elite Development, LLC P O Box 1629 Foley AL 36536 Lender

Peoples First Community Bank CORPORATE CENTER PO Box 5950 1022 W 23rd St Panama City, FL 32412

Guarantor

Benchmark Homes Inc P O Box 1629 Foley AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE For good and valuable consideration. Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order on demand in legal tender of the United States of America in same day funds without set off or deduction or counterclaim and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS The word Indebtedness as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law reasonable attorneys fees arising from any and all debts liabilities and obligations that Borrower individually or collectively or interchangeably with others owes or will owe Lender under the Note and Related Documents and any renewals extensions modifications refinancings consolidations and substitutions of the Note and Related Documents

If Lender presently holds one or more guaranties or hereafter receives additional guaranties from Guarantor. Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS The words Guarantor's Share of the Indebtedness as used in this Guaranty mean 100 000% of all the principal amount interest thereon to the extent not prohibited by law and all collection costs expenses and reasonable attorneys fees whether or not there is a lawsuit and if there is a lawsuit any fees and costs for trial and appeals

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination. Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty but will not be reduced by sums from any other source including but not limited to sums realized from any collateral securing the Indebtedness or this Guaranty or payments by anyone other than Guarantor or reductions by operation of law judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time

DURATION OF GUARANTY This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender or any notice to Guarantor or to Borrower and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor of the Indebtedness shall into taffect the liability of Guarantor under this Guaranty A revocation Lender receives from any one or more Guarantor shall not affect the liability of any remaining Guarantors under this Guaranty

GUARANTOR'S AUTHORIZATION TO LENDER Guarantor authorizes Lender without notice or demand and without lessening Guarantor's liability under this Guaranty from time to time (A) to make one or more additional secured or unsecured loans to Borrower to lease equipment or other goods to Borrower or otherwise to extend additional credit to Borrower (B) to alter compromise renew extend accelerate or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness including increases and decreases of the rate of interest on the Indebtedness extensions may be repeated and may be for longer than the original loan term (C) to take and hold security for the payment of this Guaranty or the Indebtedness and exchange enforce waive subordinate fail or decide not to perfect and release any such security with or without the substitution of new collateral (D) to release substitute agree not to sue or deal with any one or more of Borrower's surfices endorsers or other guarantors on any terms or in any manner Lender may choose (E) to determine how when and what application of payments and credits shall be made on the Indebtedness (F) to apply such security and direct the order or manner of sale thereof including without limitation any nonjudicual sale permitted by the terms of the controlling security agreement or deed of trust as Lender in its discretion may determine (G) to sell transfer assign or grant participations in all or any part of the Indebtedness and (H) to assign or transfer this Guaranty in whole or in part

GUARANTOR'S REPRESENTATIONS AND WARRANTIES Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty (B) this Guaranty is executed at Borrower's request and not at the request of Lender (C) Guarantor has full power right and author by to enter into this Guaranty (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law regulation court decree or order applicable to Guarantor (E) Guarantor has not and will not without the prior written consent of Lender sell lease assign encurrimber hypothecate transfer or otherwise dispose of all or substantially all of Guarantors assets or any interest therein (F) upon Lenders request Guarantor will provide to Lender financial and credit information in form acceptable to Lender and all such financial information which currently has been and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition (H) no litigation claim investigation administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor assess to keep adequately informed from such means of any facts events or circumstances which might in any

GUARANTOR S FINANCIAL STATEMENTS Guarantor agrees to furnish Lender with the following

Annual Statements As soon as available but in no event later than thirty (30) days after the end of each fiscal year. Guarantor's balance sheet and income statement for the year ended prepared by Guarantor in form satisfactory to Lender.

Tax Returns As soon as available but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended Federal and other governmental tax returns prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP applied on a consistent basis and certified by Guarantor as being true and correct

GUARANTOR'S WAIVERS Except as prohibited by applicable law. Guarantor waives any right to require Lender. (A) to continue lending money or to extend other credit to Borrower. (B) to make any presentment protest demand or notice of any kind including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral or notice of any action or nonaction on the part of Borrower. Lender any surety endorser or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations. (C) to resort for payment or to proceed directly or at once against any person including Borrower or any other guarantor. (D) to proceed directly against or exhaust any collateral held by Lender from Borrower any other guarantor or any other person. (E) to pursue any other remedy within Lender's power or (F) to commit any act or omission of any kind or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including but not limited to any rights or defenses arising by reason of (A) any one action or anti deficiency law or any other law which may prevent Lender from bringing any action including a claim for deficiency against Guarantor before or after Lender's commencement or completion of any foreclosure action either judicially or by exercise of a power of sale (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement including without limitation any loss of rights Guarantor may suffer by reason of any law limiting qualifying or discharging the Indebtedness (C) any disability or other defense of Borrower of any other guarantor or of any other person or by reason of the cessation of Borrower's liability from any cause whatsoever other than payment in full in legal tender of the Indebtedness (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness (E) any statute of limitations if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding Indebtedness which is not barred by any

#### COMMERCIAL GUARANTY (Continued)

Loan No 4378337

Page 2

Indebtedness if payment is made by Borrower whether voluntarily or otherwise or by any third party on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty

Guarantor further warves and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff counterclaim counter demand recoupment or similar right whether such claim demand or right may be asserted by the Borrower the

GUARANTOR S UNDERSTANDING WITH RESPECT TO WAIVERS Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that under the circumstances, the waivers are reasonable and not contrary to public policy or law If any such waiver is determined to be contrary to any applicable law or public policy such waiver shall be effective only to the extent permitted by law or public policy

RIGHT OF SETOFF To the extent permitted by applicable law Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking savings or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR Guarantor agrees that the indebtedness whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower whether or not Borrower becomes insolvent Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower upon any account whatsoever to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy by an assignment for the benefit of creditors by voluntary liquidation or otherwise the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower provided however that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees and Lender is hereby authorized in the name of Guarantor from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellangous provisions are a part of this Guaranty.

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Amendments This Guaranty together with any Related Documents constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment

Attorneys Fees, Expenses Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's reasonable attorneys Attorneys Fees, Expenses Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's reasonable attorneys fees and Lender's legal expenses incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys fees and legal expenses whether or not there is a lawsuit including reasonable attorneys fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction) appeals and any anticipated post judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty

Governing Law This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of

Choice of Venue If there is a lawsuit Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County State of

Integration Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty Guarantor hereby indemnifies and holds Lender harmless from all losses claims damages and costs (including Lender's attorneys fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties representations and agreements of this paragraph

Interpretation In all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall be Interpretation In all cases where there is more than one Borrower or Guarantor then all words used in this Guaranty in the singular shall deemed to have been used in the plural where the context and construction so require and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor the words. Borrower and Guarantor respectively shall mean all and any one or more of them. The words Guarantor Borrower and Lender include the heirs successors assigns and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations partnerships limited liability companies or similar entities it is not necessary for Lender to inquirie into the powers of Borrower or Guarantor or of the officers directors partners managers or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices Any notice required to be given under this Guaranty shall be given in writing and shall be effective when actually delivered when actually received by telefacismile (unless otherwise required by law) when deposited with a nationally recognized overnight courier or if mailed when deposited in the United States mail as first class certified or registered mail postage prepard directed to the addresses shown near the beginning of this Guaranty Any party may change its address for notices under this Guaranty by giving written notice to the other parties specifying that the purpose of the notice is to change the party's address. For notice purposes Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law if there is more than one Guarantor any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors

No Walver by Lender Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender nor any course of dealing between Lender and Guarantor shall constitute a waiver of any of Lender's rights or of any of Guarantors obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns Subject to any limitations stated in this Guaranty on transfer of Guarantors interest this Guaranty shall be binding upon and inure to the benefit of the parties their successors and assigns

Waive Jury Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding or counterclaim brought by either Lender or Guarantor against the other

CROSS-COLLATERALIZATION "All other collateral of Guarantor now or hereafter pledged to Lender shall be collateral for this loan provided however that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.

**DEFINITIONS** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural and the plural shall include the singular as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

Borrower The word Borrower means Elite Development LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns

GAAP The word GAAP" means generally accepted accounting principles

Guarantor The word Guarantor means everyone signing this Guaranty including without limitation Benchmark Homes Inc. and in each case any signer's successors and assigns

Guarantor's Share of the Indebtedness The words Guarantor's Share of the Indebtedness mean Guarantor's indebtedness to Lender as more

#### **COMMERCIAL GUARANTY** (Continued)

Loan No 4378337

Page 3

Guaranty The word Guaranty means this guaranty from Guarantor to Lender

Indebtedness The word Indebtedness means Borrower's indebtedness to Lender as more particularly described in this Guaranty

Lender The word Lender means Peoples First Community Bank its successors and assigns

Note The word Note" means the promissory note dated May 16 2007 in the original principal amount of \$207,540,64 from Borrower to Lender together with all renewals of extensions of modifications of refinancings of consolidations of and substitutions for the promissory note or agreement

Related Documents The words Related Documents agreements guaranties security agreements mortgages deeds of trust security deeds collateral mortgages and all other instruments agreements and documents whether now or hereafter existing executed in connection with the Indebtedness

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS

DELIVERY OF THIS GUARANTY TO LENDER AND THAT	NDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY
GUARANTOR	
BENCHMARK HOMES, INC  By  Robert T Cunningham III, President of Benchmark Homes Inc	_
CORPORATE ACKNOWLEDGMENT	
COUNTY OF Baldwa  The foregoing instrument was acknowledged before me this by Robert T Cunningham III, President of Benchmark Holknown to me or has produced	mes, Inc., an Alabama corporation on behalf of the exporation He or she is personally as identification and did / did not take an oath    (Signature of Person Taking Acknowledgment)  MARIE TATUM  (Name of Acknowledger Typed Printed or Stamped)
	(Title or Rank)
	(Serial Number if any)
LASER PRO Landing Ner 5.33 00 004 Cop. He land Phenocal Sol team no. 997 200. All Physics Reserved. F. WICEPLES, EXP FC TR-26, 49 PR GENEFIA	

# **COMPOSITE EXHIBIT J**

Principal Loan Date Maturity	Loan No. Call / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only Any item above containing	and do not limit the applicability of this document to any particular loan or item.  **** has been omitted due to text length limitations.

Borrower: Elite Development, LLC

P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank CORPORATE CENTER

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Clare

Clarence E. Burke, Jr. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtednes, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and logal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty; (C) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower; and (J) Guarantor has established to sepa adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lerder shall have no obligation to di

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Loan No: 4934451 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebledness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addrasses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Loan No: 4934451

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means the promissory note dated September 17, 2009, in the original principal amount of \$1,746,700.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TILED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED SEPTEMBER 17, 2009.

GUARANTOR:

Clarence E. Burke, Jr.

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Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Elite Development, LLC

P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: John B. Foley, IV

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection. So Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will own better under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to after, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine, (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter Into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor has not and will not, without the prior written consent of Lender. sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assats, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the date of the most recent financial statements provided to Lender and no event has occurred which may adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower, and (J) Guarantor has established means of obtaining from Borrower on a continuing basis Information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

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Page 2 Loan No: 4934451

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereefter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be Guarantor may open in the fourter. Individe a move in the attent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

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Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

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Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty, Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty, the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by Itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of the provision of the provision of this Guaranty even if a provision of this Guaranty even if a provision of this Guaranty even if a provision of the provision of the provision of the provision of this Guaranty even if a provision of this Guaranty even if a provision of the provision into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in viriling, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors

No Waiver by Lender, Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Loan No: 4934451

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated September 17, 2009, in the original principal amount of \$1,746,700.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED SEPTEMBER 17, 2009.

GUARANTOR:

hr/B. Foley, IV

LISER PRO Landing, Var. 5.45,00,004. Copy. Historia Françai Solvioria, Inc. 1997, 2009. All Rights Related. - Ft. W. CFN, PLIE205C. TR-42183. PR-05, NERAL

Principal Loan Date Maturity Loan N	o Cali / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only and do not Any item above containing "***" has be	limit the applicability of this document to any particular loan or item. sen omitted due to text length limitations.

Borrower: Elite Deve

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Robert T. Cunningham III

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guarantay against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate fiability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and salisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collatera; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender In its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower's financial condition. Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable faw, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations: (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Page 2 Loan No: 4934451

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further weives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower, provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty. under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of taw provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' tees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to Inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have walved any rights under this Guaranty unless such walver is given in writing and waver by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's right or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns

Loan No: 4934451

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated September 17, 2009, in the original principal amount of \$1,746,700.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED SEPTEMBER 17, 2009.

**GUARANTOR:** 

Robert T. Gunningham III

LASER PRO Leading Nov. 6 15 00,004. Cops. Harund Fivancial Solutions, Inc. 1997. 2009. All Rights Reviewed - FL with ILPUEZO.FC TR-42383. PRICEINERAL

81 102 103 104	Principal Loan Date Maturity Loan No Gail / Coll Account Officer Initials WISEB
r	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peo

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Benchmark Homes, Inc. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrowar individually or collectively or interchangeably with others, owns or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

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The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness, extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (G) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition since the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantors financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financia

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirly (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower, (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsnever.

Page 2 Loan No: 4934451

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both,

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty. the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty Is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in viriting, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender, Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and No waver by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns

Loan No: 4934451

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Benchmark Homes, Inc., and in each case, any signer's successors and assigns

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated September 17, 2009, in the original principal amount of \$1,746,700.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED SEPTEMBER 17, 2009.

**GUARANTOR:** 

BENCHMARK HOMES, INC.

Robert T. Cunningham III, President of Benchmark

Homes, Inc.

LASER PRO LINGUIG. VIN. 5-45 01.004. Goor Harard Francial Southors. VIN. 1997, 2009. All Higher Resembn. - FL = CFILPS LEGO FC TR-42365. PR-GENERAL

# **COMPOSITE EXHIBIT K**

Principal Loan Date	Maturity Loan No	Call / Coll	Account Officer Initials BW
References in the boxes above are for Any item	or Lender's use only and do not limit	the applicability of this	document to any particular loan or item.
	above containing """" has been of	mitted due to text length	th limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

John B. Foley, IV P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any mannar Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer his Guaranty in wayments to Lender that (A) no representations or

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty. (B) this Guaranty is executed at Borrower's request and not at the request of Lender, (C) Guarantor has full power, right and authority to enter into this Guaranty is (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all mater al respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition, (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; financial condition. Guarantor aspects to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a reques

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

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Loan No: 4924817

Page 2

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RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

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Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty, Guarantor has had the properturity to be advised by Guarantor has had the opportunity to be advised by Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty way be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor any notice given by lender to any Guarantor's classes. Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and waver by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singu ar shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns

Loan No: 4924817

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated October 13, 2009, in the original principal amount of \$571,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 13, 2009.

GUARANTOR:

John B. Forey

LASER PHO Landry, Ver. 5 40 00 003 Cour. Harund Financial Sokkoons, Inc. 1897, 7009. All Highla Reserved . YE. WIGFILIPLIESO FC TRAISSIL PROGRESSIA.

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 erences in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.	

Borrower: Elite Development, LLC

P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank CORPORATE CENTER

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Benchmark Homes, Inc.

P. O. Box 1629 Foley, Al. 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedriess or against any collateral securing the Indebtedness, this Guarantor any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information which will be provided to Lender, and all future financial information which will be provided to Lender and ordered in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition is inner the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or Inreatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor as established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances w

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Loan No: 4924817

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

may apply the lunds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following misce laneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferces of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailted, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

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Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Loan No: 4924817

Page 3

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Guaranter. The word "Guaranter" means everyone signing this Guaranty, including without limitation Benchmark Homes, Inc., and in each case, any signer's successors and assigns

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Note. The word "Note" means the promissory note dated October 13, 2009, in the original principal amount of \$571,000.00 from Borrower to \_ender, together with all renewals of, extensions of modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

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**GUARANTOR:** 

BENCHMARK HOMES, INC.

Robert T. Cunningham III, President of Benchmark

Homes, Inc.

LASER PRO Lending, Ver. 5 46:00:003 Copt. Harand Emercel Soldon Line 1997, 2009, All Rights Reserved - FL w CFALPLIEZO FC TR-41311 PR GENERAL

 Principal Loan Date Maturity Loan No. Call / Coll Account Officer Initials BW
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Elite Development, LLC

P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Robert T. Cunningham III

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or courterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

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The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and salisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other quarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to self, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which hill be provided to Lender in and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (+1) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has assibilished adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or c

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirly (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

(Continued) Page 2 Loan No: 4924817

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is no: barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective expected the property of the property of the public policy. effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranto.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as signed by the party or parties sought to be charged or bound by the alteration or amendment to the parties as for parties as given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Vanue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty. Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts insall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their

Loan No: 4924817

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means the promissory note dated October 13, 2009, in the original principal amount of \$571,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantics, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 13, 2009.

GUARANTOR:

Robert T. Cunningham III

USER PRO Landing, Van 6.45.00.001 Corr, Hellern Francial Solutions, Inc. 1997, 2009. All Rights Reserved. Ft. W.CFNLPUB2UFC 18:41311 PRICERENAL

	Principal Loan Date Maturity Loan No call / Coll Account Officer Initials
-	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been pmitted due to text length limitations.

Borrower: Elite Devel

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Clarence E. Burke, Jr.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' tees, ansing from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waite subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

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Loan No: 4924817

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Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 2

Loan No: 4924817

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated October 13, 2009, in the original principal amount of \$571,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS BUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 13, 2009.

GUARANTOR// X Clarence E. Burke, Jr.

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# **COMPOSITE EXHIBIT L**

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initia	ls
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """ has been omitted due to text length limitations.	

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples I

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Clarence E. Burke, Jr.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guarantles of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's lability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional crower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial and credit information in form acceptable to Lender and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the date of the most recent financial statements provided to Lender and no event has occurred which may adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower; financial condition. Guarantor as established means of obtaini

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender. (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

than payment in full in legal tender, of the Indebtedness: (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarity or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keoph accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In he event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Loan No: 4598199

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawaut, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 2

Page 3

### COMMERCIAL GUARANTY (Continued)

Loan No: 4598199

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$877,860.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

Clarence E. Burke, Jr.

LASER PRO Lending, Ver. 5.45.00,004. Copt. Helium Françai Soutions, Inc. 1997, 2009. Ad Rights Reserved. - Ft. or CFRLP, EQUIFIC TR.35314. PR-DEMERKAL

Principal Loan Date Maturity	Loan No Call / Coll Account Officer Initials BW
References in the boxes above are for Lender's use onl Any item above containing	y and do not limit the applicability of this document to any particular loan or item.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950

1022 W 23rd St. Panama City, FL 32412

Guarantor: John B. Foley, IV

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty and the lender that (A), no representations of

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor. (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information in form acceptable to Lender, and all such financial information which currently has been, and all future financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no titigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor is sks under this Guaranty, and Guarantor further agrees

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Loan No: 4598199 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations: or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the tunds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

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SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter reated, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plurel where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular shall include the words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elile Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Loan No: 4598199

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$877,860.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

USER PRO Lending Ver. 5.45 00,004 Copt. Harand Friencial Solutions, Inc. 1997, 2009. All Rights Reserves. - FL = CFRLPLEZO.FG TR-35318 PR-GEMERAL

Principal Loan Date Maturity Loan No	Cali / Coli Account Officer Initials BW
References in the boxes above are for Lender's use only and do not lim  Any item above containing "***" has been	it the applicability of this document to any particular loan or item. omitted due to text length limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536

Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Robert T. Cunningham III

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' feas, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional or other to be a to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness. including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guaranters on any terms or in any manner. Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

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Loan No: 4598199

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

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Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Loan No: 4598199

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$877,860.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

Robert T. Cunningham

14559 PRO Languag Van Sark Of Old Cook Marking Empried Salating the 1997 2000 AV Rough Basering . R. WACEN PLANTAGE TRUSTIN PROFESSIONAL

 Principal Loan Date Maturity Loan No. Call / Goll Account Officer Initials BW
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Elite Development, LLC P. O. Box 1629 Foley, AL 36536

Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Benchmark Homes, Inc. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guarantor even when Lender has not shausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterciain and will otherwise perform Reprover's obligations under the Note and Related Documents. deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and related programments. substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties hall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's tiability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transter, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information which will be provided to Lender; and all such financial information which currently has been, and all future financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition, daministrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor risks under this Guaranty, and Guarantor further agrees that, absent a request fo GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower, (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional Lorius, any survey, ellubras, of other guarantor, loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

### COMMERCIAL GUARANTY (Continued)

Loan No: 4598199

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor have personable substitutions and the substitution of the sessest of Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of Insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender Is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by listelf will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepald, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Elite Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

### COMMERCIAL GUARANTY (Continued)

Loan No: 4598199

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Benchmark Homes, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$877,860.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

**GUARANTOR:** 

BENCHMARK HOMES, INC.

Robert T. Cunning and III, President of Benchmark

Homes, Inc.

USER PRO Landing, Vor. 5 45 00 004 Copy, Harland Financial Schulons, Inc. 1987 2009 All Rights Reserved - FL #VCF12 PLVE70 FC TR-35318 PRICENERAL

## **EXHIBIT M**

### **PROMISSORY NOTE**

28.00	Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer         Initials           \$851,740.00         06-29-2009         06-29-2011         5105234         WISEB         WISEB
ľ	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Pennstar, LLC P.O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bar CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$851,740.00

Date of Note: June 29, 2009

PROMISE TO PAY. Pennstar, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Eight Hundred Fifty-one Thousand Seven Hundred Forty & 00/100 Dollars (\$851,740.00), together with Interest on the unpaid principal balance from June 29, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this toan in one principal payment of \$851,740.00 plus interest on June 29, 2011. This payment due on June 29, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 29, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in written.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse" or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, Ft. 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Page 2

## PROMISSORY NOTE (Continued)

Loan No: 5105234

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated May 8, 2008 and secured by a First Real Estate Mortgage and Fixture Filing dated October 31, 2006 and recorded in Instrument No. 1011658 in the Office of the Judge of Probate, Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender end its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

PENNSTAR, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Pennstar, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

c.

LASER PRO Landing, Ver. 5,45,00 004. Copt. Marland Extanded Solvenne, Inc. 1997, 2019. All Rights Reserved. FL. WYGEN, PL/D20 FC. TR-42818. PR-GENERAL

# **EXHIBIT N**

#### RECORD & RETURN TO:

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Stephanie Bush/Julie Seehuetter LOAN # 5105234

### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory Note</u> dated <u>June 29, 2009</u>, executed by <u>Pennstar, LLC.</u> (the "Borrower"), in the original principal amount of <u>Eight Hundred Fifty-One Thousand Seven Hundred Forty and 00 /100 Dollars (\$851,740.00)</u> in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain <u>First Real Mortgage and Fixture Filing</u> dated <u>October 31, 2006</u>, granted by the Borrower to Peoples First, and recorded in Official Records Instrument No. <u>1011658</u>, of the public records of <u>Baldwin</u> County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business Loan Agreement</u> dated <u>June 29, 2009</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- D. That certain <u>Commercial Guaranty</u> dated <u>June 29, 2009</u>, from <u>Clarence E. Burke, Jr.</u>, and that certain <u>Commercial Guaranty</u> dated <u>June 29, 2009</u>, from <u>Wolf Creek Industries, Inc.</u>, in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on N/A, bearing Instrument No. \_\_\_\_\_, of the public records of Secretary of State, Florida (hereinafter collectively referred to as the "Financing Statements")

That certain UCC-1 Financing Statement from Borrower, as Debtor, filed on N/A and recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");

- F. That certain Loan Policy of Title Insurance dated <u>November 1, 2006</u>, issued by First American Title Insurance Company, Loan Policy #<u>FA-31-1083112</u>, in the amount of \$<u>1,261,000.00</u> (hereinafter referred to as the "Title Policy");
- G. That certain N/A dated \_\_\_\_, granted by the Borrower to Peoples First and recorded in Official Records Book \_\_\_\_, Page \_\_\_\_, of the public records of \_\_\_\_ County, Florida; (hereinafter referred to as the ").
- H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, \_\_\_\_\_ County, case-styled \_\_\_\_\_, Case Number \_\_\_\_\_ (the "Claims").

The documents identified in paragraph(s) C, D and F above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. Representations and Warranties. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- Successors and Assigns. This Assignment shall inure to the benefit of the successors and assigns
  of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of July 19, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Lisa L. Jones Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the day of the said county and state, on this the personally known to me or has provided me with (insert type of identification)

as satisfactory evidence that he/she is the person who executed this instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first

having been duly authorized by said corporation so to do.

MISS

Notary Public Acting in the State and County Aforesaid (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

Commission Expires

## **COMPOSITE EXHIBIT O**

### COMMERCIAL GUARANTY

	Maturity Loan No Call / Coll Account Officer initials WISEB
References in the boxes above are f	or Lender's use only and do not limit the applicability of this document to any particular loan or item.  n above containing "***" has been omitted due to text length limitations.

Borrower:

Pennstar, LLC P.O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Clarence E. Burke, Jr. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of taw, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtenders shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtenders shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition sior the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrow

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 5105234

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes created, shall be superior to any claim that Guarantor may how have or inerating acquire against borrower, whether or not bothown becomes insolvent. Guarantor hereby expressly subordinates any claim guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in ballikupicy of barrowal, provided libered. The such assignment shall be effective the first provided libered to the first provided libered libered to the first provided libered l under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as Amendments. This Guaranty, together with any related observable to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay attorneys' rees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty, the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be Invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Pennstar, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

## COMMERCIAL GUARANTY (Continued)

Loan No: 5105234

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$851,740.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TIPLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTO

Clarence E. Burke, Jr.

LASER PRO Lending, Val. 5 45:00,004. Gopt. Kanano Francial Solutions, Inc. 1997, 2009. All Rights Reserved. - FL WICEFLEYLEZOFC TR-42818. PRIGENERAL

### **COMMERCIAL GUARANTY**

2.5.5 2.5.5	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Pennstar, LLC P.O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Wolf Creek Industries, Inc. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guarantles, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any Interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established means of obtaining from Borrower on a continuing basis Information, Lender shall have no obtaining from Borrower on a continuing basis Information, Lender shall have no obtigation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or dischedibledness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

## COMMERCIAL GUARANTY (Continued)

Loan No: 5105234 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keoph accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to Interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor hes had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (Including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Pennstar, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

## COMMERCIAL GUARANTY (Continued)

Loan No: 5105234

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

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Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$851,740.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, ioan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

LASER PRO Lending, Ver 5 45 00 004 Copy, Mailand Françai Schabna, Inc. 1997 2009 All Rights Reserved . R. WYSTRPLE20 FC TR-42816 PR-GENERAL

# **COMPOSITE EXHIBIT P**

#### PEOPLES FIRST COMMUNITY BANK

Borrower's Taxpayer Identification No.: 20-3487461

\$2,000,000.00

March 11, 2008

### Renewal Promissory Note

THIS IS A RENEWAL NOTE, RENEWING NOTE DATED FEBRUARY 1, 2006 IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,000,000.00

FOR VALUE RECEIVED, STRATOSPHERE LAND HOLDINGS, INC., an Alabama corporation (sometimes hereinafter referred to as the "undersigned" or the "Borrower"), promises to pay to the order of PEOPLES FIRST COMMUNITY BANK, or any subsequent holder of this note ("Bank") at its principal offices located at 1022 West 23rd Street, Sixth Floor, Panama City, Florida 32405 (or at such other place or places as Bank may designate) the principal sum of TWO MILLION and 00/100 Dollars (\$2,000,000.00), or so much thereof as may be from time to time outstanding, plus interest thereon at the rate hereinafter defined, all in accordance with the terms and conditions of the Promissory Note (the "Note"). This Note is secured by a Mortgage and Security Agreement dated February 1, 2006 in the original principal amount of \$2,000,000.00, filed February 6, 2006 at Instrument #954036 in the Public Records of Baldwin County, Alabama (herein as the "Mortgage"), the Guaranty Agreement (the "Guaranty") of Clarence E. Burke, Jr. and Wolf Creek Industries, Inc., (the "Guarantors"), UCC Financing Statements filed or to be filed for record in the Public Records of Baldwin County, Alabama, and in the Office of the Secretary of State of the State of Alabama (the "Financing Statements") and other agreements by and between Borrower and Bank (the "Loan Documents"). The Mortgage, Guaranty, Financing Statements, Loan Documents and such other agreements are hereinafter referred to collectively as the "Security Documents" and the loan evidenced thereby is hereinafter referred to as the "Loan." Terms used herein but not otherwise defined hereunder are defined as set forth in the Security Documents. All of the terms, definitions, conditions and covenants of the Security Documents are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Security Documents.

- 1. Prime Rate. For purposes hereof, "Wall Street Prime Rate" means the fluctuating rate of interest per annum established by Wall Street as its prime lending rate in effect from time to time whether or not such rate shall be otherwise published. Such Prime Rate is established by Wall Street as an index or base rate and may or may not at any time be the best or lowest rate of interest offered by Bank.
- 2. <u>Interest.</u> The outstanding Loan principal balance shall bear interest at a variable rate per annum equal to the highest prime rate as published in the New York *Wall Street Journal*, under its "Money Rates" section plus 1.00%. Interest shall be computed on the basis of a daily amount of interest accruing on the daily outstanding principal balance during a 360-day year multiplied by the actual number of days the principal is outstanding during such applicable interest period. The initial rate is 7.00%.

- 3. Payment of Principal and Interest. Interest accrued in accordance with this Note shall be due and payable monthly, in arrears, on the 11th day of each month. All accrued but unpaid interest and principal shall be due and payable in full on the Maturity Date, as defined in Paragraph 6 below. All payments of principal and interest shall be made in lawful currency of the United States of America which shall be legal tender in payment of all debts, public and private, at the time of payment. The first payment of interest shall be due April 11, 2008.
- 4. <u>Prepayment</u>. This Note may be prepaid in whole or in part at any time without fee, premium or penalty. Any partial prepayment shall be applied in accordance with paragraph 10 below and shall not postpone the due date of any subsequent periodic installments or the Maturity Date, or change the amount of such installments due, unless Bank shall otherwise agree in writing.
- 5. <u>Late Charges</u>. Should Borrower fail to pay the installments of interest or principal (if applicable) on any due date provided for herein or within fifteen (15) days thereafter, then Borrower further promises to pay a late payment charge equal to five percent (5%) of the amount of the unpaid installment as liquidated compensation to Bank for the extra expense to Bank to process and administer the late payment, Borrower agreeing, by execution hereof, that any other measure of compensation for late payment is speculative and impossible to compute. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives Borrower a right to cure a Default or Default Condition. Imposition of late charges is not contingent upon the giving of any notice or lapse or any cure period provided for in the Mortgage and shall not be deemed a waiver of any right or remedy of Bank, including without limitation, acceleration of this Note.
- 6. <u>Maturity Date</u>. The then outstanding principal balance plus all accrued but unpaid interest together with any outstanding costs pursuant to the Loan Documents shall be due and payable on March 11, 2010 (the "Maturity Date").
- 7. <u>Default.</u> Any failure of Borrower or any Guarantor to comply with any term, covenant, or condition of this Note, including without limitation, Borrower's failure to pay principal, interest, or expenses when same shall become due or the existence of any Default Condition or Default under the Security Documents or Loan Agreement shall be deemed, at the option of Bank, a Default under this Note.
- 8. Acceleration. Upon the occurrence of a Default hereunder or under the terms of any one or more of the Security Documents or the Loan Agreement, Bank may declare the then outstanding principal and all accrued but unpaid interest immediately due and payable and upon acceleration and thereafter this Note shall bear interest at the Default Rate, hereinafter defined, until all indebtedness evidenced hereby and secured by the Security Documents has been paid in full. Further, in the event of such acceleration, the loan, and all other indebtedness of Borrower to Bank arising out of or in connection with the loan shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by Borrower.
- 9. <u>Default Rate</u>. After default or maturity or upon acceleration, and thereafter, the unpaid indebtedness then evidenced by this Note and due under and secured by the Security Documents shall bear interest at a fixed rate equal to seventeen and one-half percent (17.50%).
- 10. <u>Application of Payments</u>. All sums received by Bank for application to the Loan may be applied by Bank to late charges, expenses, costs, interest, principal, and other amounts owing to Bank in connection with the Loan in the order selected by Bank in its sole discretion.

- 11. Expenses. In the event this Note is not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under this Note, the Loan Agreement, or the Security Documents, Borrower will pay to Bank, in addition to principal, interest and other charges due hereunder or under the Loan Agreement or the Security Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, including appellate proceedings, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Note, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- 12. Waiver. All persons now or at any time liable for payment of this Note, whether directly or indirectly, including without limitation any Guarantor, hereby waive presentment, protest, notice of protest and dishonor. The undersigned expressly consents to any extensions and renewals, in whole or in part, to the release of any or all Guarantors or co-makers and any collateral security or portions thereof, given to secure this Note, and all delays in time of payment or other performance which Bank may grant, in its sole discretion, at any time and from time to time without limitation all without any notice or further consent of Borrower, and any such grant by Bank shall not be deemed a waiver of any subsequent delay or any of Bank's rights hereunder or under the Loan Agreement or the Security Documents.
- 13. <u>Usury.</u> In no event shall this or any other provision herein or in the Loan Agreement or Security Documents, permit the collection of any interest which would be usurious under the laws of the State of Florida. If any such interest in excess of the maximum rate allowable under applicable law has been collected, Borrower agrees that the amount of interest collected above the maximum rate permitted by applicable law, together with interest thereon at the rate required by applicable law, shall be refunded to Borrower, and Borrower agrees to accept such refund, or, at Borrower's option, such refund shall be applied as a principal payment hereunder.
- 14. <u>Modification</u>. This Note may not be changed orally, but only by and agreement in writing signed by the Bank and Borrower.
- 15. <u>Applicable law</u>. This Note shall be governed by and construed in accordance with the laws of the State of Florida.
- 16. Notices. All notices or other communications required or permitted to be given pursuant to the provisions of this Note shall be given in accordance with the notice provisions of the Mortgage.
- 17. <u>Successors and Assigns</u>. As used herein, the terms "Borrower" and "Bank" shall be deemed to include their respective heirs, personal representatives, successors and assigns.
- 18. Severability. In the event any one or more of the provisions of this Note shall for any reason by held to be invalid, illegal, or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operates or would prospectively operate to invalidate this Note, then and in any of those events, only such provision or provisions shall be deemed null and void and shall not affect any other provision of this Note. The remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced, or disturbed thereby. In the event any provisions of this Note are inconsistent with the provisions of the

Loan Agreement, the Security Documents, or any other agreements or documents executed in connection with this Note, this Note shall control.

- 19. <u>Captions: Pronouns</u>. Captions are for reference only and in no way limit the terms of this Note. The pronouns used in this instrument shall be construed as masculine, feminine, or neuter as the occasion may require. Use of the singular includes the plural, and vice versa.
- 20. <u>Business Day</u>. Any reference herein or in the Loan Agreement or Security Documents to a day or business day shall be deemed to refer to a banking day which shall be a day on which Bank is open for the transaction of business, excluding any national holidays, and any performance which would otherwise be required on a day other than a banking day shall be timely performed in such instance, if performed on the next succeeding banking day. Notwithstanding such timely performance, interest shall continue to accrue hereunder until such payment or performance has been made.
- Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS NOTE, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO BORROWER OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the day and year first above written.

[Signature Page to Promissory Note]

STRATOSPHERE LAND HOLDINGS, INC.

By: Clarence E. Burke, Jr.

Its: President

### STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned, a Notary Public, in and for said County in said State, hereby certify that Clarence E. Burke, Jr. whose name as President of Stratosphere Land Holdings, Inc., an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he as such officer and with full authority executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal on this <u>A</u> day of March, 2008.

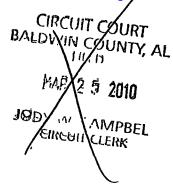
NOTARY PUBLIC

My Commission Expires: しっぱい 10

# **EXHIBIT Q**

PREPARED BY, RECORD & RETURN TO-

Hancock Bank Attn: Lending Services P.O. Box 59950 Panama City, FL 32412



### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

(v 030510)

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain Promissory Note dated March 11, 2008 executed by Stratosphere Land Holdings, Inc. (the "Borrower"), in the original principal amount of Two Million and 00/100 Dollars (\$2,000,000.00) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain First Real Estate Mortgage and Fixture Filing dated February 1, 2006, granted by the Borrower to Peoples First, and recorded in Official Records Book as Instrument number 954036, all of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;

C		Th	at certair	11	N/A		Loan Agreement dated						
,	by	and	between	Peoples	First	and	Borrower	(hereinafter	referred	to	as	the	"Loan
Agreeme	nt")	);											

BALDWIN COUNTY, ALABAMA PROBATE JUDGE Filed/cert. 4/ 8/2010 1:33 PM TOTAL \$ 19.00 3 Pages

D. That certain Guaranty Agreement dated March 12, 2008, from Clarence E. Burke, Jr., in favor of Peoples First (hereinafter referred to as the "Guaranty");
E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on,, bearing Instrument No and recorded in Official Records Book, page, of the public records of County, Florida (hereinafter collectively referred to as the "Financing Statements"); and
F. That certain Loan Policy of Title Insurance dated February 6, 2006, issued by First American Title Insurance Company, Loan Policy #FA-31-1082687 in the amount of \$2,000,000.00 (hereinafter referred to as the "Title Policy").
G. That certain Assignment of Contracts from Stratosphere Land Holdings, Inc., dated February 1, 2006 (hereinafter referred to as the "Assignment of Contracts").
H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, County, case-styled, Case Number (the "Claims").
The documents identified in paragraphs B. D. F and G above are hereinafter collectively

The documents identified in paragraphs B, D, F and G above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. <u>Assignment of Note, Mortgage and Collateral Documents.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.

- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of March 18, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Regina M. Lawrence Title: Attorney-in-Fact

STATE OF FLORIDA COUNTY OF Bay

On the 18th day of March, 2010, before me, the undersigned, personally appeared Regina M. Lawrence, the Attorney-in-Fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, on behalf of the corporation, who is (check one) X is personally known to me or \_\_\_\_\_ has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument.

DESIREE D. MOATES

Notary Public - State of Florida

My Comm Expires Aug 18, 2013

Commission # DD 917935

Notary Public, Acting in the State and County

Aforesaid DESIREE D Modifes

My Commission Expires: (See Notary Seal)

My Commission Number is: (See Notary Seal)

**COMPOSITE EXHIBIT R** 

#### PEOPLES FIRST COMMUNITY BANK

#### **GUARANTY AGREEMENT**

THIS GUARANTY AGREEMENT dated as of the date(s) set forth below (the "Guaranty"), is executed by Clarence E. Burke, Jr. and Wolf Creek Industries, Inc. (hereinafter referred to jointly and severally as "Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Stratosphere Land Holdings, Inc., an Alabama corporation (the "Borrower").

#### Recitals:

- A. Bank has agreed to renew a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Renewal Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of TWO MILLION and no/100 Dollars (\$2,000,000.00), (the "Note") for the purchase of real estate located in Baldwin County, Alabama which Loan is secured by a First Real Estate Mortgage and Fixture Filing dated February 1, 2006 and filed in the Public Records of Baldwin County, Alabama at Instrument Number 954036 (the "Mortgage") and other documents. The Mortgage, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."
- B. Without this Guaranty, Bank would be unwilling to renew this Loan to Borrower.
- C. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank renewing the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the Loan Documents, the Security Documents or otherwise, or arising in connection with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise

affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security or to extend or renew the perfection of any security; and (l) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guarantor guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guaranter guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness;
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 4(a) through 4(g) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- a. Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the renewing of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- Primary Liability of Guarantor. Guarantor agrees that this Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand

payment or performance. In the event Bank elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. Subrogation Rights. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guaranter guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- 9. Grant. To secure the performance of this Guaranty, Guarantor grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.

- Term of Guaranty; Warranties. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.
- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.

- 15. <u>Multiple Counterparts; Pronouns; Captions; Severability.</u> This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.
- Bank Assigns. This Guaranty is intended for and shall inure to the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. <u>Application of Payments</u>. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. <u>Notices</u>. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Guarantor:

Clarence E. Burke, Jr. 14747 Underwood Road Summerdale, Alabama 36580 Or P.O. Box 1629 Foley, Alabama 36536 Wolf Creek Industries, Inc. P.O. Box 254 Foley, Alabama 36536-0254

Bank:

Peoples First Community Bank 1022 West 23rd Street, Sixth Floor

Panama City, FL 32405

Attn: Jimmy Barr, General Counsel

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law</u>. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Submission to Jurisdiction. Guarantor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. <u>Continuing Liability</u>. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:

- a. having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 21.

- orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. <u>Reference to Other Loan Documents</u>. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Note, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- 24. Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL

SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the 12 day of March, 2008.

Clarence E. Burke, Jr.

STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned authority, in and for said County in said State, hereby certify that Clarence E. Burke, Jr., whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this date that, being informed of the contents of this instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and seal this the 12 day of March, 2008.

Diboal K. He NOTARY PUBLIC

My Commission Expires: 4-23-10

[SEAL]

WOLF CREEK INDUSTRIES, INC.

By: Clarence E. Burke, Jr.

Its: President

## STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned authority, in and for said County in said State, hereby certify that Clarence E. Burke, Jr., whose name as President of Wolf Creek Industries, Inc., a corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of this instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and seal this the  $\frac{1}{2}$  day of March, 2008.

NOTARY PUBLIC

My Commission Expires: 4-23-1

[SEAL]

# **EXHIBIT S**

#### PROMISSORY NOTE

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials 23,100.00 11-29-2007 11-29-2012 07-41458		
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing ***** has been omitted due to text length limitations.		

Borrower: Rustal, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER

PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$323,100.00

Interest Rate: 8.000%

Date of Note: November 29, 2007

PROMISE TO PAY. Rustal, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Three Hundred Twenty-three Thousand One Hundred & 00/100 Dollars (\$323,100.00), together with interest at the rate of 8.000% per annum on the unpaid principal balance from November 29, 2007, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 59 regular payments of \$2,397.00 each and one irregular last payment estimated at \$309,945.60. Borrower's first payment is due December 29, 2007, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on November 29, 2012, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked 'paid in full', "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes 'payment in full' of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any firms thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue Is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the Insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this previous contraction.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instruments listed herein:

- (A) a Mortgage dated November 29, 2007, to Lender on real property located in Baldwin County, State of Alabama.
- (B) an Assignment of All Rents to Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default

Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 116 of 212 PageID #: 148

Loan No: 07-41468 PROMISSORY NOTE (Continued)

Page 2

under any loan of Borrower to Lender shall be a default under this loan and vice versa.".

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(les) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressity stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or endorser any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone other

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

RUSTAL, LLC

MAGNOLIA RIVER MANAGEMENT, LLC, Manager of Rustal, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

LASER PRO Landing, Var. 8.33 00:004 Copir Harland Rescoul Solutions, Inc. 1987, 2007 AB Rights Reserved. - FL st.ICFNLPs/L000LPC TR-11466 PR-02HIERAL

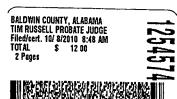
# **EXHIBIT T**

Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 118 of 212 PageID #: 150

RECORD & RETURN TO.

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Philomena J. Telker LOAN # 5372982



#### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et seq (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory</u> Note dated <u>November 29, 2007</u>, as amended by that certain <u>Note Modification Agreement</u> dated June 22, 2009, all executed by <u>Rustal, LLC</u> (the "Borrower"), all in the original principal amount of <u>Three Hundred Twenty-Three Thousand One Hundred and 00/100 Dollars (\$323,100 00)</u> in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain Mortgage dated November 29, 2007, granted by Borrower to Peoples First, and recorded as Instrument # 1087775, of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business</u> Loan Agreement dated <u>November 29, 2007</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement"), and that certain <u>Commercial</u> Security Agreement dated <u>n/a</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Security Agreement"),
- D. That certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>Wolf Creek Industries, Inc.</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>Robert T. Cunningham</u>, <u>III</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>John B. Foley, IV</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>Pennstar, LLC</u>, in favor of Peoples First, that certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>Crossroads, LLC</u>, in favor of Peoples First, and that certain <u>Commercial</u> Guaranty dated <u>November 29, 2007</u>, from <u>Clarence E. Burke, Jr.</u>, in favor of Peoples First, (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on <a href="mailto:n/a">n/a</a>, bearing Instrument No. \_\_\_\_\_\_\_, of the public records of Secretary of State, Florida; and that certain UCC-1 Financing Statement from Borrower, as Debtor, and recorded on \_\_\_\_\_\_ in Official Records Book \_\_\_\_\_\_, of the public records of \_\_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- F. That certain Loan Policy of Title Insurance dated <u>November 30, 2007</u>, issued by <u>Mississippi Valley Title Insurance Company and Old Republic National</u> Title Insurance Company, Loan Policy #<u>LP 101517</u>, in the amount of \$323,100.00 (hereinafter referred to as the "Title Policy");
- G. That certain Assignment of Rents dated November 29, 2007, and recorded as Instrument # 1087776, of the public records of Baldwin County, Alabama (hereinafter referred to as the "Assignment");
- H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced

# Case 1:12-cv-00101

-B Document 1-1 Filed 02/22/1 by the Note and Mortgage above, and/or which are County, case-styled, Case Number (the	2 Page 119 of 212 PageID #: 151 the subject matter of the action filed in the N/A Court, "Claims").
The documents identified in paragraph(s) $\underline{C}$ . "Collateral Documents"	, $\underline{D}$ , $\underline{F}$ and $\underline{G}$ above are hereinafter collectively referred to as the
NOW, THEREFORE, for valuable considerable acknowledged, Assignor hereby agrees as follows:	eration granted by Assignee to Assignor, receipt of which is lows.
grants transfers and assigns to Assignee all of A	and Collateral Documents Assignor hereby unconditionally Assignor's right, title and interest in the Note, Mortgage and ght to receive payments of principal and interest under the Note signee, without recourse, the Note.
Assignee all Assignor's right, title and interest in all its predecessor) in connection with or related to the learning the referred to collectively as the "Loan".	other documents or agreements entered into by Peoples First (or loan evidenced by the Note, Mortgage and Collateral Documents In this Assignment, the Note, the Mortgage, the Collateral or securing the Loan are referred to collectively as the "Loan
3. <u>Assignment of Claims.</u> Assignor hall of Assignor's right, title and interest in and to the	hereby unconditionally grants, transfers, and assigns to Assignee Claims.
accion the Loan Documents to the Assignee As	In accordance with the Act, Assignor has full power to sell and ssignor has made no prior assignment or pledge of the Loan ecourse, representation or warranty, express or implied, by the
5. <u>Successors and Assigns</u> . This Ass of Assignor and Assignee, and be binding upon the s	signment shall inure to the benefit of the successors and assigns successors and assigns of Assignor and Assignee
IN WITNESS WHEREOF, Assignor has ex	xecuted this Assignment to Assignee as of September 10, 2010
·	FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America
	Name. Lisa L. Jones Title: Attorney-in-Fact
STATE OF MISSISSIPPI COUNTY OF HARRISON	
day of September, 2010, within my jurisd personally known to me or ha as satisfic instrument and who acknowledged that she is the CORPORATION, in its capacity as the RECEIV CITY FLORIDA a comporation organized under	diction, the within named Lisa L. Jones, who (check one) X is is provided me with (insert type of identification) actory evidence that he/she is the person who executed this e attorney in fact of the FEDERAL DEPOSIT INSURANCE ER OF PEOPLES FIRST COMMUNITY BANK, PANAMA the laws of the United States of America, and that for and on leed, she executed the above and foregoing instrument, after first to do.  Notary Public, Acting in the State and County A foresaid (Print Name)  My Commission Expires: (See Notary Seal)  My Commission Number is: (See Notary Seal)
TA POLICIA CONTRACTOR	My Commission Number is: (See Notary Seal)

RHONDA BOUNDS
Commission Expires
04/28/2012

MAR COUNTY

# **EXHIBIT U**

### PEOPLES FIRST COMMUNITY BANK

Borrower's Taxpayer Identification No.: 20-8142211

\$1,900,000.00

June 14, 2007

### **Promissory Note**

FOR VALUE RECEIVED, RUSTAL, LLC, an Alabama limited liability company (sometimes hereinafter referred to as the "undersigned" or the "Borrower"), promises to pay to the order of PEOPLES FIRST COMMUNITY BANK, or any subsequent holder of this note ("Bank") at its principal offices located at 1022 West 23rd Street, Sixth Floor, Panama City, Florida 32405 (or at such other place or places as Bank may designate) the principal sum of ONE MILLION NINE HUNDRED THOUSAND and no/100 Dollars (\$1,900,000.00) or so much thereof as may be from time to time outstanding, plus interest thereon at the rate hereinafter defined, all in accordance with the terms and conditions of the Promissory Note (the "Note"). This Note is secured by a Mortgage and Security Agreement of even date filed or to be filed for record in the Public Records of Baldwin County, Florida (the "Mortgage"), the Guaranty Agreements (the "Guaranties") of Clarence E. Burke, Jr., John B. Foley, IV, Robert T, Cunningham, III, Pennstar, LLC and Crossroads, LLC (collectively, the "Guarantor"), UCC Financing Statements of even date filed or to be filed for record in the Public Records of the Office of the Secretary of State of the State of Alabama (the "Financing Statements") and other agreements by and between Borrower and Bank. (the "Loan Documents"). The Mortgage, Guaranties, Financing Statements, Loan Documents and such other agreements are hereinafter referred to collectively as the "Security Documents" and the loan evidenced thereby is hereinafter referred to as the "Loan." Terms used herein but not otherwise defined hereunder are defined as set forth in the Security Documents. All of the terms, definitions, conditions and covenants of the Security Documents are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Security Documents.

- 1. <u>Interest</u>. The outstanding Loan principal balance shall bear interest at a fixed rate per annum equal of Eight and a quarter percent (8.25%). Interest shall be computed on the basis of a daily amount of interest accruing on the daily outstanding principal balance during a 360-day year multiplied by the actual number of days the principal is outstanding during such applicable interest period.
- 2. Payment of Principal and Interest. Interest accrued in accordance with this Note shall be due and payable monthly, in arrears for twelve months, commencing July 14, 2007 and the 14th day of each monthly thereafter until June 14, 2008 at which time principal and interest payments shall commence based on an amortization of the principal balance over 360 months and continue on the 14th day of each month until the Maturity Date.

Flords documentary stamps in the mount of \$ 2.500 have been affixed to the mortgage

- 4. <u>Prepayment</u>. This Note may be prepaid in whole or in part at any time without fee, premium or penalty. Any partial prepayment shall be applied in accordance with paragraph 10 below and shall not postpone the due date of any subsequent periodic installments or the Maturity Date, or change the amount of such installments due, unless Bank shall otherwise agree in writing.
- 5. <u>Late Charges</u>. Should Borrower fail to pay the installments of interest or principal (if applicable) on any due date provided for herein or within fifteen (15) days thereafter, then Borrower further promises to pay a late payment charge equal to five percent (5%) of the amount of the unpaid installment as liquidated compensation to Bank for the extra expense to Bank to process and administer the late payment, Borrower agreeing, by execution hereof, that any other measure of compensation for a late payment is speculative and impossible to compute. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives Borrower a right to cure a Default or Default Condition. Imposition of late charges is not contingent upon the giving of any notice or lapse or any cure period provided for in the Mortgage and shall not be deemed a waiver of any right or remedy of Bank, including without limitation, acceleration of this Note.
- 6. Maturity Date. The then outstanding principal balance plus all accrued but unpaid interest shall be due and payable on June 14, 2012 (the "Maturity Date").
- 7. <u>Default</u>. Any failure of Borrower or any Guarantor to comply with any term, covenant, or condition of this Note, including without limitation, Borrower's failure to pay principal, interest, or expenses when same shall become due or the existence of any Default Condition or Default under the Security Documents or Loan Agreement shall be deemed, at the option of Bank, a Default under this Note.
- 8. Acceleration. Upon the occurrence of a Default hereunder or under the terms of any one or more of the Security Documents or the Loan Agreement, Bank may declare the then outstanding principal and all accrued but unpaid interest immediately due and payable and upon acceleration and thereafter this Note shall bear interest at the Default Rate, hereinafter defined, until all indebtedness evidenced hereby and secured by the Security Documents has been paid in full. Further, in the event of such acceleration, the loan, and all other indebtedness of Borrower to Bank arising out of or in connection with the loan shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by Borrower.
- 9. <u>Default Rate</u>. After default or maturity or upon acceleration, and thereafter, the unpaid indebtedness then evidenced by this Note and due under and secured by the Security Documents shall bear interest at a fixed rate equal to seventeen and one-half percent (17.50%).
- 10. <u>Application of Payments</u>. All sums received by Bank for application to the Loan may be applied by Bank to late charges, expenses, costs, interest, principal, and other amounts owing to Bank in connection with the Loan in the order selected by Bank in its sole discretion.
- 11. Expenses. In the event this Note is not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under this Note, the Loan Agreement, or the Security Documents, Borrower will pay to Bank, in addition to principal, interest and other charges due hereunder or under the Loan Agreement or the Security Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees,

costs and expenses, whether incurred with respect to collection, litigation, including appellate proceedings, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Note, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.

- 12. Waiver. All persons now or at any time liable for payment of this Note, whether directly or indirectly, including without limitation any Guarantor, hereby waive presentment, protest, notice of protest and dishonor. The undersigned expressly consents to any extensions and renewals, in whole or in part, to the release of any or all Guarantors or co-makers and any collateral security or portions thereof, given to secure this Note, and all delays in time of payment or other performance which Bank may grant, in its sole discretion, at any time and from time to time without limitation all without any notice or further consent of Borrower, and any such grant by Bank shall not be deemed a waiver of any subsequent delay or any of Bank's rights hereunder or under the Loan Agreement or the Security Documents.
- 13. <u>Usury</u>. In no event shall this or any other provision herein or in the Loan Agreement or Security Documents, permit the collection of any interest which would be usurious under the laws of the State of Florida. If any such interest in excess of the maximum rate allowable under applicable law has been collected, Borrower agrees that the amount of interest collected above the maximum rate permitted by applicable law, together with interest thereon at the rate required by applicable law, shall be refunded to Borrower, and Borrower agrees to accept such refund, or, at Borrower's option, such refund shall be applied as a principal payment hereunder.
- 14. <u>Modification</u>. This Note may not be changed orally, but only by and agreement in writing signed by the Bank and Borrower.
- 15. <u>Applicable law</u>. This Note shall be governed by and construed in accordance with the laws of the State of Florida.
- 16. <u>Notices</u>. All notices or other communications required or permitted to be given pursuant to the provisions of this Note shall be given in accordance with the notice provisions of the Mortgage.
- 17. <u>Successors and Assigns</u>. As used herein, the terms "Borrower" and "Bank" shall be deemed to include their respective heirs, personal representatives, successors and assigns.
- 18. Severability. In the event any one or more of the provisions of this Note shall for any reason by held to be invalid, illegal, or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operates or would prospectively operate to invalidate this Note, then and in any of those events, only such provision or provisions shall be deemed null and void and shall not affect any other provision of this Note. The remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced, or disturbed thereby. In the event any provisions of this Note are inconsistent with the provisions of the Loan Agreement, the Security Documents, or any other agreements or documents executed in connection with this Note, this Note shall control.

- 19. <u>Captions; Pronouns</u>. Captions are for reference only and in no way limit the terms of this Note. The pronouns used in this instrument shall be construed as masculine, feminine, or neuter as the occasion may require. Use of the singular includes the plural, and vice versa.
- 20. <u>Business Day</u>. Any reference herein or in the Loan Agreement or Security Documents to a day or business day shall be deemed to refer to a banking day which shall be a day on which Bank is open for the transaction of business, excluding any national holidays, and any performance which would otherwise be required on a day other than a banking day shall be timely performed in such instance, if performed on the next succeeding banking day. Notwithstanding such timely performance, interest shall continue to accrue hereunder until such payment or performance has been made.
- Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT 21. NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS NOTE, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO BORROWER OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Borrower has caused this Note to be duly executed as of the day and year first above written.

[signatures on the following pages]

Signature page to Promissory Note

RUSTAL, LLC

By: Magnolia River Management, LLC

Its: Manager

By: Summit Construction Company, Inc.

Its: Manager

By: Clarence E. Burke, Jr.

Its: President

STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned authority, in and for said County in said State, hereby certify that Clarence E. Burke, Jr. whose name as President of Summit Construction Company, Inc., an Alabama corporation, in its capacity as Manager of Magnolia River Management, LLC, an Alabama limited liability company, the Manager of RUSTAL, LLC, an Alabama limited liability company is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said document, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the / day of June, 2007.

(SEAL)

NOTARY PUBLIC

My Commission Expires:

#### PEOPLES FIRST COMMUNITY BANK

1 Drandy WVB
By:
Its:

STATE OF FLORIDA Alabama COUNTY OF \_\_\_\_\_\_ Daldwin

The foregoing instrument was acknowledged before me on June 14, 2007, by Drandy Wise, as of Peoples First Community Bank, on its behalf. He/She is personally known to me, or has produced driver's license as identification.

Printed name: MARIE TATUM
Notary Public-State of Florida at Large

Commission number:

My Commission expires: 9/26/10

J:\atty\Raw\P\Peoples\Rustal\note.3.doc

# **COMPOSITE EXHIBIT V**

### COMMERCIAL GUARANT

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB			
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """ has been omitted due to text length limitations.			

Borrower: Rustal, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Robert T. Cunningham III

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim and will otherwise perform Borrower's obligated Documents. counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or on there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the arnount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, walve, subordinate, fall or decide not to perfect, and release any security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's surelies, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine;

-(G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 07-41468

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legand that the same as subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender Is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

GARNISHMENT. Guarantor consents to the Issuance of a continuing writ of gamishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' Attorneys' rees; expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, including connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty, and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and No Waiver by Lender. Lender shall not be deemed to have waived any rights under rins Guaranty thees such waiver is given in whiting and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's objections as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 130 of 212 PageID #: 162

COMMERCIAL GUARANTY (Continued)

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007, in the original principal amount of \$323,100.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

Robert T. Cunningham III

Loan No: 07-41468

	INDIVIDUAL ACKNOWLEDGMENT			
STATE OF alaban	Y-a,	<b>)</b>		
JIACE OF THE STATE		) SS		
COUNTY OF Bul	duri	)		
The foregoing instrument was ac by Robert T. Cunningham III, v did not take an oath.	knowledged before me this ho is personally known to me o	(Signature of Person	November  Smith Taking Acknowledgment)  ger Typed, Printed or Stamped;	as identification and did /
		(Title or Rank) Notary (Serial Number, if	JUDY K. SMITH Public, Baldwin County pomo State At 1.0:98 Commission Expires August 25, 2008	

### Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 131 of 212 PageID #: 163

### COMMERCIAL GUARANT

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB	
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing **** has been omitted due to text length limitations.	

Borrower: Rustal, LLC

Rustal, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER

PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: John B. Foley, IV

P. O. Box 1629 Faley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower Individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

Elf Lender presently holds one or more guarantles, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise otherwise or one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, Itansfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor. (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which under the true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition, (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of indebtedness or of any nonpayment of borrower, Lender, any surely, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

#### COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468 Page 2

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of Insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

GARNISHMENT. Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be margenteed under this Guaranty. professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007, in the original principal amount of \$323,100.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

CHADANTOR

INDIVIDUAL ACKNOWLEDGMENT

) SS

OF Water

COUNTY OF \_\_\_\_\_\_

•

The foregoing instrument was acknowledged before me this 295 by John B. Foley, IV, who is personally known to me or who has produced take an oath.

\_\_\_\_ day of November

identification and did / did not

Stonature of Person Jaking Acknowled Immer

(Name of Acknowledger Typed, Printed or Stamped)

JUDY K. SMITH
Notary Public, Baldwin
Alabama State At

Notary Public, Baldwin Count Alabama State At Large My Commission Expires August 25, 2008

(Serial Number, if any)

LASER PRO Landing, Ver 6.33 00.004 Copr. Harland Financial Statebre. Inc. 1987, 2007. All Rights Reserved. • FL WACFILPLEZO FC TR-41466 PR-GENERAL

### OMMERCIAL GUARANT

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Rustal, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Pennstar, LLC

P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a quarant of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no o

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or ornission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

# COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468 (Continued) Page 2

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsult, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the helirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Pennstar, LLC, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

COMMERCIAL GUARANTY (Continued)

Page 3

Loan No: 07-41468

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's Indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007, in the original principal amount of \$323,100.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

**GUARANTOR:** 

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Pennsy.  Clarence E. Burke, Jr., President of Summit Construction Company, Inc.		
LIMITED LIABILITY	COMPANY ACKN	OWLEDGMENT
COUNTY OF BUILDING  The foregoing instrument was acknowledged before me this by Clarence E. Burke, Jr., President of Summit Construction company. He or she is personally known to me or has produced oath.	on Company, Inc., member (c	Movember, 20
	(Name of Acknowledg	ger Typed, Printed or Stamped)
	·	
	(Title or Rank)	JUDY K. SMITH Notary Public, Baldwin County Alabama State At Laige
	(Serial Number, if an	

### COMMERCIAL GUARANT

Principal Loan Date Maturity Loan No Call / Cell Account Officer Initials WISEB
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing **** has been omitted due to text length limitations.

Borrower: Rustal, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Crossroads, LLC

P. O. Box 1629 Foley, AL 36536

QUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in tull torce until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

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## COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468 (Continued) Page 2

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

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GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby Indemnifies and holds Lender harmless from all losses, claims, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty is executed by more than one Buarantor, and "Lender" include the heirs, successors, assigns, and transferees of each of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty way be found to be invalid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty way be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to Inquire into the powers of Borrower or Guarantor or of the officers, directors, partnerships, contains the provision of the officers of the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if malled, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Crossroads, LLC, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 139 of 212 PageID #: 171

COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468

Page 3

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007, in the original principal amount of \$323,100.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

**GUARANTOR:** 

CROSSROADS, LLC		
MAGNOLIA RIVER MARAGEMENT, LLC, Manager of Crossroads, LLC  SUMMIT CONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC  By:  Clarence E. Burke, Jr., President of Summit Construction Company, Inc.		
LIMITED LIABILITY COMPANY ACKNOWLEDGMENT		
STATE OF Allahama  ) SS  COUNTY OF Baldwin  The foregoing instrument was acknowledged before me this 29th day of Movember 2007  The foregoing instrument was acknowledged before me this 29th day of Movember 2007  Sy Clarence E. Burke, Jr., President of Summit Construction Company, Inc., member (or agent), on behalf of Crossroads, LLC, a limited liability company. He or she is personally known to me or has produced as identification and did / did not take an oath.  (Signature of Rerson Taking Acknowledgment)  (Name of Acknowledger Typed, Printed or Stamped)		

(Title or Rank)

(Serial Number, if any)

JUDY K. SMITH ary Public. Balawin County Alabama State At Large My Commission Expires August 25, 2008

## Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 140 of 212 PageID #: 172

#### COMMERCIAL GUARANT

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initial WISES	\$
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """ has been omitted due to text length limitations.	$\Box$

Borrower: Rustal, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Clarence E. Burke, Jr.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees tull and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guarantor or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

**GUARANTOR'S SHARE OF THE INDESTEDNESS.** The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower. (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES, Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, self, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender (inancial and credit information in form acceptable to Lender, and all such financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition is cented that the condition of the dates of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (i) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way aff

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or ornission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on surelyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the essation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

# COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468 (Continued) Page 2

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

GARNISHMENT. Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Chaice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if malled, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right, a waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 142 of 212 PageID #: 174

## COMMERCIAL GUARANTY (Continued)

Loan No: 07-41468

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007, In the original principal amount of \$323,100.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TIPLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

GUARANTØR:			
X Clarence E. Burke, Jr.			
INDIVIDUAL ACKNOWLEDGMENT			
The foregoing instrument was acknowledged before me this			

Rustel, LLC P. O. Box 1529 Foley, Al. 38538

Peoples First Commun CORPORATE CENTER Lender:

PO Box 59960 1022 W 23rd St. ma City, FL 32412

Guarantor: Wolf Creek Industries, Inc. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lander, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lander has not exhausted Lander's remedies against anyone base obligated to pay the Indebtedness or against any colleteral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDESTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attornays" fets, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

Il Lander presently holds one or more guaranties, or harastrar receives additional guaranties from Guarantor, Lander's rights under all guaranties shall be cumulative. This Guaranty shall not lunkes specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's fieldlifty will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

QUARANTOR'S SHARE OF THE INDESTEDNESS. The words "Quarantor's Share of the Indebtedness" as used in this Quaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection coats, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and coats for trial and appeals.

Lender shall determine Guarantor's Share of the indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

ove limitation on liability is not a restriction on the amount of the Note of Borrower to Lander either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lander without the necessity of any acceptance by Lander, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully end finally peid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been parformed in full. Release of any other guarantor or termination of any other guarantor got the indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

more Gurantons shall not effect the liability of any remaining Gurantors under this Guranty.

GUARANTOR'S AUTHORIZATION TO LENDER, Gurantor authorizes Lander, without notice or demand and without lessaning Guranton's Bability under this Guranty. From time to line: (A) to make one or more additional secured or unsecured loans to Borrower, to lessa equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to after, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guranty or the Indebtedness, and exchange, enforce, weive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collaters! (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's survives, enforces, or other guarantors on any terms or in any manner. Lander may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to entirely agreement or deed of trust, as Lender in its discretion may determine; (G) to cell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guarenty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or organization of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (8) this Guaranty is executed at Corrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (8) the govisions of this Guaranto has full provisions of this Guarantor has not and will not result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor has not and will not, without the prior written conserm of Lender, sell, lease, essign, encumber, hypothecate, transfer, or otherwise dispose of all or substratibly all of Guarantor's assets, or any Interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial and credit information in form soceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthinases of Brancial condition. (Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthinases of Guarantor's financial condition. (Guarantor is pending or dispetion, claim, inve

**GUARANTOR'S FINANCIAL STATEMENTS.** Guarantor agrees to turnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheer and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period d, Faderal and other governmental tax returns, prepared by a tex professional satisfactory to Lender.

Affinancial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law. Guarantor weives any right to require Lender (A) to continue lending money or to extend other credit to Borrower: (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtendess or of any nonpayment related to any collaters, or notice of any action or nonaction on the part of Borrower, Lander, any surety, endorser, or other guarantor in connection with the indebtendess or of any interest of the surety of the s

Gusrantor slao walves any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses srising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lander from bringing any action, including a claim for deficiency, against Gusrantor, before or after Lander's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (S) any election of remedies by Lender which destroys or otherwise adversely affects Gusrantor's subrogation rights or Gusrantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Gusrantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other delates of Borrower, of any other guarantor, or of any other guarantor, or of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

Loan No: 07-41468 (Continued)

then payment in full in legal tender, of the Indebtedness: (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lander against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any time parts on under the analysis of the state of the Indebtedness and the analysis of the Indebtedness and the safe is forced to result the amount of that payment to Borrower's trustee in barretpray or to any similar person under any federal or state benkruptary law or law for the relief of debrors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor or both.

QUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or lew. If any such vaiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether chucking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone sies and all accounts Guarantor may open in the future. However, this does not include any IRA or Keoph accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

may apply the funds in these accounts to pay what Gustantor owes under the terms of this Gustanty.

SUBORDMATION OF BORROWER'S DETECT OF QUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Gustantor hereby expressly subordinates any claim Gustantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of oraditors, by voluntary liquidation, or otherwise, the assets of Borrower, applicable to the payment of the claims of both Lender and Gustantor shall be paid to Lender and claims applicable to the payment of the claims of both Lender and Gustantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Gustantor does hereby assign to Lender all claims which it may have to acquire against Borrower to against any assignee or trustee in benkruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter avidencing any debts or obligations of Borrower to Gustantor shall be marked with a legend that the same are subject to this Gustanty and shall be desired. Gustantor agrees, and Lender is hereby authorized, in the name of Gustantor, from time to time to this Gustanty, and shall be desired. Such and the such as a subject to perfect, preserve and enforce its rights under this Gustanty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

ents. This Guarenty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as atters sat forth in this Guarenty. No alteration of or amendment to this Guarenty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's resonable attorneys' fees and Lender's legal expenses, incured in connection with the enforcement of this Guaranty. Lender may hire or pay someons else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawarit, including reasonable stroneys' fees and legal expenses whether or not there is a lawarit, including reasonable stroneys' fees and legal expenses whether or not there is a lawarit, including reasonable stroneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the

overning Law. This Gueranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the ws of the State of Roride without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lander's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interprat the terms of this Guaranty. Guaranthe hereby internifies and holds Lander harmless from all losses, claims, damages, and costs (including lender's attorneys' feet) suffered or incurred by Lander as a result of any breach by Guarantor of the warrantiles, representations and agreements of this paragraph.

warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of sech of them. If a court finds that any provision of this Guaranty and not be enforced. That fact by itself will not mean that the rest of this Guaranty will not be valid or should not be enforced, that provisions of this Guaranty went is a provision of this Guaranty was provision of the officers, directors, partnerships, limited fiability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partnersh, and any indebtodness made or created in relance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be affective when actually delivered, when actually received by telefacelimile (unless otherwise required by law), when deposited with a netionally recognized overright courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail people prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may ohange its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

Quarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Weiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of lender's rights or of any of Guarantor's obligations se to any future transactions. Whenever the consent of Lender's required under this Guaranty, the granting of such consent by Lander in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inuse to the benefit of the parties, their successors and assigns.

Waive Jury. Lander and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collaterelization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shell have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to doller amounts shall mean amounts in lewful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Ruxtel, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

the control of the co

GAAP. The word \*GAAP\* means generally accepted accounting principles.

Queranter. The word "Guerantor" means everyone signing this Gueranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and easigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lander as more particularly described in this Guaranty.

Lander. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated November 29, 2007. In the original principal amount of \$323,100.00 from Borrower to Lander, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, servironmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED NOVEMBER 29, 2007.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Chrence E. Burks, Jr., President of Wolf Creek Industries, Inc.

# **COMPOSITE EXHIBIT W**

#### PEOPLES FIRST COMMUNITY BANK

### **Guaranty Agreement**

THIS GUARANTY AGREEMENT dated June 1, 2007 (the "Guaranty"), is executed by John B. Foley, IV("Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Rustal, LLC, an Alabama limited liability company (the "Borrower").

#### Recitals:

A. Bank has agreed to make a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of One Million Nine Hundred Thousand and no/100 Dollars (\$1,900,000.00) (the "Note") for the purchase of certain real property located in Baldwin County, Alabama (the "Mortgaged Property"), which Loan is secured by a Mortgage and Security Agreement of even date filed or to be filed in the Public Records of Baldwin County, Alabama (the "Mortgage"), UCC Financing Statements, Hazardous Substances Indemnity Agreement of even date between Borrower and Bank (the "Indemnity") and other documents. The Mortgage, UCC Financing Statements, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."

#### **B.** Guarantor:

- C. Without this Guaranty, Bank would be unwilling to make the Loan to Borrower.
- D. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank making the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the Loan Documents, the Security Documents or otherwise, or arising in connection

with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security

or to extend or renew the perfection of any security; and (I) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guaranter guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guarantee guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness;
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 5(a) through 5(h) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- a. Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the making of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- Primary Liability of Guarantor. Guarantor agrees that this 6. Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand payment or performance. In the event Bank elects to demand

performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. Subrogation Rights. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guarantor guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.
- 10. <u>Term of Guaranty; Warranties</u>. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers

the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.
- 15. <u>Multiple Counterparts; Pronouns; Captions; Severability</u>. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the

plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

- Bank Assigns. This Guaranty is intended for and shall inure to 16. the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. <u>Application of Payments</u>. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. <u>Notices</u>. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Guarantor:

John B. Foley, IV

Bank:

Peoples First Community Bank 1022 West 23rd Street, Sixth Floor

Panama City, FL 32405

Attn: Jimmy Barr, General Counsel

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also

constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law.</u> This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Submission to Jurisdiction. Guarantor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. <u>Continuing Liability</u>. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:
- a. having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 22.

- 22. Oral Modification Ineffective. This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. Reference to Other Loan Documents. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Notes, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED BY THE PARTIES. THE WAIVER CONTAINED HEREIN IS IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

John B. Foley, IV

STATE OF ALABAMA ) COUNTY OF BALDWIN)

I, the undersigned authority, in and for said County in said State, hereby certify that **John B.** Foley, IV, whose name is signed to the foregoing, individually, and who is known to me, acknowledged before me on this day that, being informed of the contents of said responses he executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the 14 day of June, 2007.

NOTARY PUBLIC

My Commission Expires: 9/26/10

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### PEOPLES FIRST COMMUNITY BANK

# **Guaranty Agreement**

THIS GUARANTY AGREEMENT dated June , 2007 (the "Guaranty"), is executed by Robert T. Cunningham, III("Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Rustal, LLC, an Alabama limited liability company (the "Borrower").

#### Recitals:

A. Bank has agreed to make a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of One Million Nine Hundred Thousand and no/100 Dollars (\$1,900,000.00) (the "Note") for the purchase of certain real property located in Baldwin County, Alabama (the "Mortgaged Property"), which Loan is secured by a Mortgage and Security Agreement of even date filed or to be filed in the Public Records of Baldwin County, Alabama (the "Mortgage"), UCC Financing Statements, Hazardous Substances Indemnity Agreement of even date between Borrower and Bank (the "Indemnity") and other documents. The Mortgage, UCC Financing Statements, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."

## B. Guarantor:

- C. Without this Guaranty, Bank would be unwilling to make the Loan to Borrower.
- D. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank making the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the

Loan Documents, the Security Documents or otherwise, or arising in connection with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security

or to extend or renew the perfection of any security; and (I) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guaranter guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative:
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guarantor guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness:
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 5(a) through 5(h) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- a. Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the making of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- Primary Liability of Guarantor. Guarantor agrees that this 6. Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand payment or performance. In the event Bank elects to demand

performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. <u>Subrogation Rights</u>. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.
- 10. <u>Term of Guaranty; Warranties</u>. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers

the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.
- This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the

plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

- Bank Assigns. This Guaranty is intended for and shall inure to 16. the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. <u>Application of Payments</u>. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. <u>Notices</u>. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Bank: Peoples First Community Bank
1022 West 23rd Street, Sixth Floor
Panama City, FL 32405
Attn: Jimmy Barr, General Counsel

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also

constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law</u>. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Guarantor irrevocably and 20. Submission to Jurisdiction. unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. Continuing Liability. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:
- a. having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 22.

- 22. Oral Modification Ineffective. This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. Reference to Other Loan Documents. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Notes, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- THE PARTIES HEREBY 24. Waiver of Trial by Jury. MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED THE WAIVER CONTAINED HEREIN IS BY THE PARTIES. IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

Robert T. Cunningham, III

STATE OF ALABAMA ) COUNTY OF BALDWIN)

I, the undersigned authority, in and for said County in said State, hereby certify that Robert T. Cunningham, III, whose name is signed to the foregoing, individually, and who is known to me, acknowledged before me on this day that, being informed of the contents of said responses he executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the 14 day of June, 2007.

NOTARY PUBLIC

My Commission Expires: 9 26 10

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#### PEOPLES FIRST COMMUNITY BANK

# **Guaranty Agreement**

THIS GUARANTY AGREEMENT dated June 14, 2007 (the "Guaranty"), is executed by Crossroads, LLC("Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Rustal, LLC, an Alabama limited liability company (the "Borrower").

#### Recitals:

A. Bank has agreed to make a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of One Million Nine Hundred Thousand and no/100 Dollars (\$1,900,000.00) (the "Note") for the purchase of certain real property located in Baldwin County, Alabama (the "Mortgaged Property"), which Loan is secured by a Mortgage and Security Agreement of even date filed or to be filed in the Public Records of Baldwin County, Alabama (the "Mortgage"), UCC Financing Statements, Hazardous Substances Indemnity Agreement of even date between Borrower and Bank (the "Indemnity") and other documents. The Mortgage, UCC Financing Statements, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."

### B. Guarantor:

- C. Without this Guaranty, Bank would be unwilling to make the Loan to Borrower.
- D. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank making the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the Loan Documents, the Security Documents or otherwise, or arising in connection

with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not 3. to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security or to extend or renew the perfection of any security; and (I) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guaranter guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guarantor guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness:
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 5(a) through 5(h) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- **a.** Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the making of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- 6. Primary Liability of Guarantor. Guarantor agrees that this Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand payment or performance. In the event Bank elects to demand

performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. <u>Subrogation Rights</u>. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guarantor guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- 9. Grant. To secure the performance of this Guaranty, Guarantor grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.
- 10. <u>Term of Guaranty; Warranties</u>. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers

the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.
- 15. <u>Multiple Counterparts; Pronouns; Captions; Severability.</u> This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the

plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

- Bank Assigns. This Guaranty is intended for and shall inure to 16. the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. <u>Application of Payments</u>. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. Notices. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Guarantor:	Crossroads, LLC
Bank:	Peoples First Community Bank
	1022 West 23rd Street, Sixth Floor
	Panama City, FL 32405
	Attn: Jimmy Barr, General Counsel

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also

constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law</u>. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Guarantor irrevocably and Submission to Jurisdiction. 20. unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. Continuing Liability. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:
- a. having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 22.

- 22. Oral Modification Ineffective. This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. Reference to Other Loan Documents. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Notes, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- THE PARTIES HEREBY Waiver of Trial by Jury. 24, MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED THE WAIVER CONTAINED HEREIN IS BY THE PARTIES. IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

Crossroads, LLC

By:
Its:

STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned authority, in and for said County in said State, hereby certify that Clarence E. Burest whose name as Manage of Crossroads, LLC, an Alabama limited liability company, is signed to the foregoing document and who is known to me, acknowledged before me on this day that, being informed of the contents of said document, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the H day of June, 2007.

(SEAL)

NOTARY PUBLIC

My Commission Expires: 4

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### PEOPLES FIRST COMMUNITY BANK

# **Guaranty Agreement**

THIS GUARANTY AGREEMENT dated June , 2007 (the "Guaranty"), is executed by Pennstar, LLC("Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Rustal, LLC, an Alabama limited liability company (the "Borrower").

#### Recitals:

A. Bank has agreed to make a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of One Million Nine Hundred Thousand and no/100 Dollars (\$1,900,000.00) (the "Note") for the purchase of certain real property located in Baldwin County, Alabama (the "Mortgaged Property"), which Loan is secured by a Mortgage and Security Agreement of even date filed or to be filed in the Public Records of Baldwin County, Alabama (the "Mortgage"), UCC Financing Statements, Hazardous Substances Indemnity Agreement of even date between Borrower and Bank (the "Indemnity") and other documents. The Mortgage, UCC Financing Statements, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."

## B. Guarantor:

- C. Without this Guaranty, Bank would be unwilling to make the Loan to Borrower.
- D. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank making the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the Loan Documents, the Security Documents or otherwise, or arising in connection

with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (1) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security

or to extend or renew the perfection of any security; and (I) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guaranter guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guaranter guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness;
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 5(a) through 5(h) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- a. Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the making of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- Primary Liability of Guarantor. Guarantor agrees that this Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand payment or performance. In the event Bank elects to demand

performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. <u>Subrogation Rights</u>. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guarantor guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- 9. Grant. To secure the performance of this Guaranty, Guarantor grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.
- 10. <u>Term of Guaranty; Warranties</u>. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers

the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.
- 15. <u>Multiple Counterparts; Pronouns; Captions; Severability</u>. This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the

plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

- Bank Assigns. This Guaranty is intended for and shall inure to 16. the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. Application of Payments. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. Notices. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Guarantor:	Pennstar, LLC
Bank:	Peoples First Community Bank
	1022 West 23rd Street, Sixth Floor
	Panama City, FL 32405
	Attn: Jimmy Barr General Counsel

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also

constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law</u>. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Submission to Jurisdiction. Guarantor irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. <u>Continuing Liability</u>. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:
- having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 22.

- 22. Oral Modification Ineffective. This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. Reference to Other Loan Documents. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Notes, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED THE WAIVER CONTAINED HEREIN IS BY THE PARTIES. IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

Pennstar, LLC

By:
Its:

STATE OF ALABAMA COUNTY OF BALDWIN

I, the undersigned authority, in and for said County in said State, hereby certify that Currect. But whose name as Manage of Pennstar, LLC, an Alabama limited liability company, is signed to the foregoing document and who is known to me, acknowledged before me on this day that, being informed of the contents of said document, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the day of June, 2007.

(SEAL)

NOTARY PUBLIC

My Commission Expires:\_

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#### PEOPLES FIRST COMMUNITY BANK

### **Guaranty Agreement**

THIS GUARANTY AGREEMENT dated June 14, 2007 (the "Guaranty"), is executed by Clarence E. Burke, Jr. ("Guarantor") and extended to PEOPLES FIRST COMMUNITY BANK (the "Bank") for the benefit of Rustal, LLC, an Alabama limited liability company (the "Borrower").

#### Recitals:

A. Bank has agreed to make a loan (the "Loan") to Borrower pursuant to the terms and conditions of, among other documents, a Note of even date executed and delivered by Borrower in favor of Bank in the principal amount of One Million Nine Hundred Thousand and no/100 Dollars (\$1,900,000.00) (the "Note") for the purchase of certain real property located in Baldwin County, Alabama (the "Mortgaged Property"), which Loan is secured by a Mortgage and Security Agreement of even date filed or to be filed in the Public Records of Baldwin County, Alabama (the "Mortgage"), UCC Financing Statements, Hazardous Substances Indemnity Agreement of even date between Borrower and Bank (the "Indemnity") and other documents. The Mortgage, UCC Financing Statements, this Guaranty, the Indemnity and the other documents are hereinafter referred to collectively as the "Security Documents" or the "Loan Documents."

#### **B.** Guarantor:

- C. Without this Guaranty, Bank would be unwilling to make the Loan to Borrower.
- D. Because of the direct benefit to Guarantor from the Loan to Borrower, and as an inducement to Bank to make the Loan to Borrower, Guarantor agrees to guarantee to Bank the obligations of Borrower as set forth herein.
- NOW, THEREFORE, in consideration of Bank making the Loan to Borrower, and for other good and valuable consideration by Borrower to Guarantor, the receipt and sufficiency of which is hereby acknowledged by Guarantor, Guarantor hereby covenants and agrees as follows:
- 1. <u>Unlimited Guaranty of Payment</u>. Guarantor hereby unconditionally guarantees to Bank the payment, when due, by acceleration or otherwise, of the Loan principal, together with all interest, costs, expenses, and attorneys' fees related to the Indebtedness. For the purposes hereof, the term "Indebtedness" shall include any and all indebtedness and obligations of Borrower to Bank, including without limitation, the loan principal, together with interest, fees and expenses, including attorneys' fees, evidenced by the Notes, the

Loan Documents, the Security Documents or otherwise, or arising in connection with the Loan, whether existing now or arising hereafter, as such Indebtedness may be modified, increased, extended or renewed from time to time. The guaranty of Guarantor as set forth in this section is a guaranty of payment and not of collection. The amount of this Guaranty shall not be diminished, limited, or otherwise affected by payments made under the Loan except for full and complete satisfaction of the Debt evidenced by Bank's execution of a Satisfaction of Mortgage.

2. <u>Subordination</u>. All rights and claims of Guarantor now or hereafter existing (collectively the "Guarantor Claims") against Borrower or any of Borrower's property which Borrower now owns or shall acquire in the future or hereafter existing shall be subordinate and subject in right of payment to the prior payment in full of the indebtedness to Bank.

Until the indebtedness has been paid in full and Guarantor shall have performed or satisfied all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any payment upon Guarantor Claims, nor seek to realize upon any collateral securing such Guarantor Claims nor claim any offset or other reduction of Guarantor's obligations hereunder because of any Guarantor Claims. Notwithstanding the foregoing, if Guarantor should receive any such payment, Guarantor agrees to hold same in trust for Bank and agrees that Guarantor shall have absolutely no rights in or to or dominion over, such payments except to pay them promptly to Bank without demand by Bank.

Guarantor Waivers. Guarantor hereby waives and agrees not to assert or take advantage of (a) any right or claim of right to cause a marshaling of any of Borrower's assets or the assets of any other party now or hereafter held as security for the indebtedness; (b) the defense of the statute of limitations in any action hereunder or for the payment of the indebtedness and performance of any obligation hereby guaranteed; (c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Guarantor, any other guarantor of the Loan, or Borrower or any other person or entity, or the voluntary or involuntary dissolution of Borrower or Guarantor, or the failure of Bank to file or enforce a claim against the estate (either in administration, bankruptcy, or any other proceeding) of Borrower or any other person or entity; (d) any defense based on the failure of Bank to give notice of the existence, creation, or incurring of any new or additional indebtedness or obligation, or of any action or nonaction on the part of any other person whomsoever, or any modification of the terms of the Loan Documents, or the indebtedness, in connection with any obligation hereby guaranteed; (e) any defense based upon an election of remedies by Bank which destroys or otherwise impairs any subrogation rights of Guarantor or any other guarantor of the Loan or the right of Guarantor to proceed against Borrower or any other guarantor for reimbursement, or both; (f) any defense based upon failure of Bank to commence an action against Borrower; (g) any defense based upon acceptance of this Guaranty by Bank; (h) any defense based upon the invalidity or unenforceability of any of the Loan Documents; (i) any defense based upon any limitation of liability contained in any of the Loan Documents; (j) any defense based upon any transfer by Borrower of all or any part of the Collateral; (k) any defense based upon the failure of Bank to perfect any security or to extend or renew the perfection of any security; and (1) any other legal or equitable defenses whatsoever to which Guarantor might otherwise be entitled.

- 4. <u>Consent to Bank's Actions or Inactions</u>. Guarantor consents that Bank may, at any time and from time to time, before or after any Default by Borrower, without affecting the liability of Guarantor hereunder and with or without further notice to or assent from Guarantor:
- a. either with or without consideration to Borrower or to any guaranter guaranteeing payment of any portion of the indebtedness, or any pledgor or grantor of any collateral, exchange, release or surrender (in whole or in part), or fail to protect or to preserve the value of any collateral now or hereafter held as security for the Loan, or waive, release or subordinate any lien or security interest (in whole or in part) in or on any such collateral;
- b. waive or delay the exercise of any of its rights or remedies against Borrower or any other person or entity, including without limitation, any guaranter guaranteeing the payment of any portion of the indebtedness; notwithstanding any waiver or delay, Bank shall not be precluded from further exercise of any of its rights, powers or privileges expressly provided for herein or otherwise available, it being understood that all such rights and remedies are cumulative;
- c. waive or extend the time of Borrower's or any other guarantor's performance of any and all terms, provisions and conditions set forth in the Loan Documents;
- d. release Borrower or any other person or entity, including without limitation, any other guaranter guaranteeing payment of any portion of the indebtedness, from their obligations to repay all or any portion of the indebtedness;
- e. proceed against Guarantor without first proceeding against or joining Borrower or any other guarantor guaranteeing the completion of the Project or payment of any portion of the indebtedness or any endorser of the Note, or any property securing the payment of the indebtedness;
- f. renew, extend or modify the terms of the Loan or any instrument or agreement evidencing, securing, or relating to the Loan; and
- g. generally deal with Borrower or other person or party or any Collateral as Bank may see fit.

Guarantor shall remain bound under this Guaranty notwithstanding any such exchange, release, surrender, subordination, waiver (whether or not such waiver is oral or written), delay, proceeding, renewal, extension, modification, act or failure to act, or other dealings described in Subsections 5(a) through 5(h) above, inclusive, including without limitation, any change in the Plans and/or the Improvements even though done without notice to or consent from Guarantor.

- 5. <u>Waiver of Notice</u>. Guarantor waives all notices whatsoever with respect to the Loan Documents, including without limitation, this Guaranty, and with respect to the Loan, including but not limited to, notice of:
- a. Bank's acceptance of this Guaranty or its intention to act, or its action, in reliance hereon;
  - b. the making of the Loan by Bank to Borrower;
- c. presentment and demand for payment of the Loan or any portion thereof;
- d. protest and notice of dishonor or non-payment with respect to the Loan or any portion thereof;
- e. any Default by Borrower or any pledgor, grantor of security, or any other guaranter guaranteeing payment of any portion of the indebtedness;
- f. any other notices to which Guarantor may otherwise be entitled; and
  - g. any demand for payment under this Guaranty.
- Primary Liability of Guarantor. Guarantor agrees that this Guaranty may be enforced by Bank without the necessity at any time of resorting to or exhausting any other security or collateral and without the necessity at any time of having resorted to recourse to the Note or the Collateral through foreclosure proceedings under the Security Documents or otherwise, and Guarantor hereby waives any rights to require Bank to proceed against Borrower or any other guarantor or to require Bank to pursue any other remedy or enforce any other right. Guarantor further agrees that Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the indebtedness of Borrower to Bank, unless and until all of the indebtedness of Borrower to Bank has been paid in full. Guarantor further agrees that nothing contained herein shall prevent Bank from suing on the Note or foreclosing the Mortgage or from exercising any other rights available to it under any other Loan Documents, or any other instrument of security if neither Borrower nor Guarantor timely performs the obligations of Borrower thereunder, and the exercise of any of the aforesaid rights and the completion of any foreclosure proceedings shall not constitute a discharge of any of Guarantor's obligations hereunder; it being the purpose and intent of Guarantor that Guarantor's obligations hereunder shall be absolute, independent and unconditional under any and all circumstances. Neither Guarantor's obligations under this Guaranty nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other guarantor or by reason of Borrower's or any other guarantor's bankruptcy, insolvency, death, or dissolution. At any time Bank is entitled to exercise its remedies hereunder, it may in its discretion elect to demand payment or performance. In the event Bank elects to demand

performance, it shall at all times thereafter have the right to demand payment until all of the indebtedness has been paid in full. In the event Bank elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the indebtedness has been paid in full.

- 7. Subrogation Rights. Guarantor will not assert any right to which it may be or may become entitled, whether by subrogation, contribution or otherwise, against Borrower or any other guarantor guaranteeing payment of any portion of the indebtedness or against any of their respective properties, by reason of the performance by Guarantor of its obligations under this Guaranty. Guarantor also hereby waives any claim, right or remedy which Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from a performance by Guarantor, including, but not limited to, any claim, remedy or right of subrogation, reimbursement, exoneration, indemnification or participation in any claim, right or remedy of Bank against Borrower or any security which Bank has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law, or otherwise, so long as any sums are remaining unpaid to the Bank, or should arise as unpaid under the loan documents.
- 8. Cost of Enforcement. In the event that the Note or this Guaranty are not paid when due on any stated or accelerated maturity date, or should it be necessary for Bank to enforce any other of its rights under the Loan Documents, Guarantor will pay to Bank, in addition to principal, interest and other charges due hereunder or under the other Loan Documents, all costs of collection or enforcement, including reasonable attorneys' fees, paralegals' fees, legal assistants' fees, costs and expenses, whether incurred with respect to collection, litigation, bankruptcy proceedings, interpretation, dispute, negotiation, trial, appeal, defense of actions instituted by a third party against Bank arising out of or related to the Loan, enforcement of any judgment based on this Guaranty, or otherwise, whether or not a suit to collect such amounts or to enforce such rights is brought or, if brought, is prosecuted to judgment.
- 9. Grant. To secure the performance of this Guaranty, Guarantor grants to Bank a security interest in all property of Guarantor to the extent such property is delivered concurrently herewith or is now, or at any time hereafter is in the possession of Bank, and all proceeds, replacements, or substitutions of all such property. Guarantor agrees that Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code as adopted by the State of Florida with respect to all of the aforesaid property, including, without limitation, the right to sell or otherwise dispose of any or all of such property. Any notification of intended disposition of any property required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Notwithstanding the foregoing, Bank may, without further notice to anyone, apply or set off any balances, credits, deposits, accounts, monies or other indebtedness at any time created by or due from Bank to Guarantor against the amounts due hereunder.
- 10. <u>Term of Guaranty; Warranties</u>. This Guaranty shall continue in full force and effect until the indebtedness is fully paid, and all obligations of Borrower and Guarantor are performed and discharged. This Guaranty covers

the indebtedness whether presently outstanding or arising subsequent to the date hereof including all amounts advanced by Bank in stages or installments. Guarantor warrants and represents to Bank, (i) that this Guaranty is binding upon and enforceable against Guarantor, its heirs, personal representatives, executors, successors, and assigns in accordance with its terms, (ii) that the execution and delivery of this Guaranty do not, to the knowledge of Guarantor, violate any applicable laws or constitute a breach of any agreement to which Guarantor is a party, (iii) that there is no litigation, claim, action or proceeding pending, or, to the best knowledge of Guarantor, threatened against Guarantor which would adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder. Guarantor agrees to promptly inform Bank of the adverse determination of any litigation, claim, action or proceeding or the institution of any litigation, claim, action or proceeding against Guarantor which does or could adversely affect the financial condition of Guarantor or its ability to fulfill its obligations hereunder.

- 11. Further Representations and Warranties. Guarantor further represents to Bank that Guarantor has knowledge of Borrower's financial condition and affairs and represents and agrees that it will keep so informed while this Guaranty is in force. Guarantor agrees that Bank has no present or future obligation to investigate the financial condition or affairs of Borrower for the benefit of Guarantor nor to advise Guarantor of any fact respecting, or any change in, the financial condition or affairs of Borrower or any other guarantor of the Loan which might come to the knowledge of Bank at any time, whether or not Bank knows or believes or has reason to know or believe that any such fact or change is unknown to Guarantor or might (or does) increase the risk of Guarantor as guarantor or might (or would) affect the willingness of Guarantor to continue as a guarantor with respect to the indebtedness.
- 12. <u>Financial Statements</u>. Guarantor shall submit annual financial statements to Bank on the Bank's form as requested by the Bank.
- 13. Additional Liability of Guarantor. If Guarantor is or becomes liable for any indebtedness owing by Borrower to Bank by endorsement or otherwise than under this Guaranty, such liability shall not be in any manner impaired or reduced hereby but shall have all and the same force and effect it would have had if this Guaranty had not existed and Guarantor's liability hereunder shall not be in any manner impaired or reduced thereby.
- 14. <u>Cumulative Rights</u>. All rights of Bank hereunder or otherwise arising under any documents executed in connection with or as security for the indebtedness are separate and cumulative and may be pursued separately, successively or concurrently, or not pursued without affecting, reducing or limiting any other right of Bank and without affecting, reducing, or impairing the liability of Guarantor.
- This Guaranty may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall constitute but one and the same document. The pronouns used in this instrument shall be construed as masculine, feminine or neuter as the occasion may require. Use of the singular includes the

plural, and vice versa. Captions are for reference only and in no way limit the terms of this Guaranty. Invalidation of any one or more of the provisions of this Guaranty shall in no way affect any of the other provisions hereof, which shall remain in full force and effect. Use of the term "include" or "including" is always without limitation. "Person" or "party" means any natural person or artificial entity having legal capacity.

- Bank Assigns. This Guaranty is intended for and shall inure to 16. the benefit of Bank and each and every person who shall from time to time be or become the owner or holder of any document evidencing or securing the indebtedness, and each and every reference herein to Bank shall include and refer to each and every successor or assignee of Bank at any time holding or owning any part of or interest in any part of the indebtedness. This Guaranty shall be transferable and negotiable with the same force and effect, and to the same extent, that any document evidencing or securing all or any portion of the indebtedness is transferable and negotiable, it being understood and stipulated that upon assignment or transfer by Bank of any of the indebtedness, the legal holder or owner of said indebtedness (or a part thereof or interest therein thus transferred or assigned by Bank) shall (except as otherwise stipulated by Bank in its assignment) have and may exercise all of the rights granted to Bank under this Guaranty to the extent of that part of or interest in the indebtedness thus assigned or transferred to said person. Guarantor expressly waives notice of transfer or assignment of the indebtedness, or any part thereof, or of the rights of Bank hereunder. Failure to give notice will not affect the liabilities of Guarantor hereunder.
- 17. <u>Application of Payments</u>. Bank may apply any payments received by it from any source against that portion of the indebtedness (principal, interest, court costs, attorneys' fees or other) in such priority and fashion as it may deem appropriate.
- 18. Notices. Unless otherwise provided, all notices required to be given hereunder shall be in writing and shall be deemed served on the earlier of (i) receipt or (ii) seventy-two (72) hours after deposit in registered, certified or first-class United States mail, postage prepaid, and addressed to the parties at the following addresses, or such other addresses as may from time to time be designated by written notice given as herein required:

Guarantor:	Clarence E. Burke, Jr.	
Bank:	Peoples First Community Bank	
	1022 West 23rd Street, Sixth Floor	
	Panama City, FL 32405	
	Attn: Jimmy Barr, General Counsel	

Personal delivery to a party or to any officer, partner, agent or employee of such party, or if a proper person, to a member of his family, at its address herein shall constitute receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice has been received shall also

constitute receipt. Notwithstanding the foregoing, no notice of change of address shall be effective until the date of receipt thereof. This section shall not be construed in any way to affect or impair any waiver of notice or demand herein provided or to require giving of notice or demand to or upon Guarantor in any situation or for any reason.

- 19. <u>Conflict of Law</u>. This Guaranty shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Florida.
- Guarantor irrevocably and 20. Submission to Jurisdiction. unconditionally (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Guaranty may be brought, at the option of Bank, in a court of competent jurisdiction of the State of Florida or any United States District Court having jurisdiction in Orlando, Florida; (b) consents to the iurisdiction of each such court in any such suit, action or proceeding; (c) waives any and all personal rights under the laws of any state to object to the laying of venue of any such suit, action or proceeding in the State of Florida; and (d) agrees that service of any court paper may be effected on Guarantor by mail, addressed and mailed as provided in Section 19 hereof or in such other manner as may be provided under applicable laws or court rules in the State of Florida. Nothing contained herein, however, shall prevent Bank from bringing an action or exercising any rights against any security or against any property of Guarantor, within any other state. Initiating such proceeding or taking such action in any other state shall in no event constitute a waiver of the agreement contained herein that the law of the State of Florida shall govern the rights and obligations of Guarantor and Bank hereunder or of the submission herein made by Guarantor to personal jurisdiction within the State of Florida. The aforesaid means of obtaining personal jurisdiction and perfecting service of process are not intended to be exclusive but are cumulative and in addition to all other means of obtaining personal jurisdiction and perfecting service of process now or hereafter provided by the law of the State of Florida.
- 21. <u>Continuing Liability</u>. Notwithstanding any other provisions of this Guaranty, the indebtedness shall be deemed to include any and all liability, damage, cost and expense, including reasonable attorneys' fees, paralegals' fees and legal assistants' fees, which may hereafter be incurred by Bank as a result of the Mortgaged Property:
- a. having been used in the past or present or being used in the future while the Mortgaged Property is owned by Borrower, for the sale, handling, storage, transportation, or disposal of hazardous or toxic materials, in violation of any Governmental Requirements in effect from time to time regulating hazardous or toxic materials or the Mortgaged Property; or
- b. having contained or hereafter containing, while the Mortgaged Property is owned by Borrower, asbestos or products containing asbestos in violation of any laws, ordinances, or regulations of any Governmental Authorities affecting asbestos or products containing asbestos or the Mortgaged Property.

Payment of the Note shall not terminate the liability of Guarantor created by this Section 22.

- 22. Oral Modification Ineffective. This Guaranty may not be changed orally, and no obligation of Guarantor can be released or waived by Bank or any officer or agent of Bank, except by a writing signed by a duly authorized officer of Bank. This Guaranty shall be irrevocable by Guarantor until the indebtedness has been completely repaid and all obligations and undertakings of Borrower under, by reason of, or pursuant to the Loan Documents have been completely performed, at which time Bank will terminate this Guaranty. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank. This Guaranty shall continue in full force and effect unless and until discharged or released by Bank pursuant to a written instrument properly executed by an appropriate officer of Bank.
- 23. Reference to Other Loan Documents. All of the terms, definitions, conditions and covenants of the Loan Agreement, the Notes, the Mortgage, and the Assignment are expressly made a part of this Guaranty by reference in the same manner and with the same effect as if set forth herein at length and shall have the meaning set forth in the Loan Agreement, the Note, the Mortgage, and the Assignment unless otherwise defined herein.
- Waiver of Trial by Jury. THE PARTIES HEREBY MUTUALLY AGREE THAT NEITHER PARTY, NOR ANY ASSIGNEE, SUCCESSOR, HEIR, OR LEGAL REPRESENTATIVE OF THE PARTIES (ALL OF WHOM ARE HEREINAFTER REFERRED TO AS THE "PARTIES") SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE BASED UPON OR ARISING OUT OF THIS GUARANTY, OR THE LOAN DOCUMENTS, OR ANY INSTRUMENT EVIDENCING, SECURING, OR RELATING TO THE INDEBTEDNESS AND ANY OTHER OBLIGATIONS EVIDENCED HEREBY, ANY RELATED AGREEMENT OR INSTRUMENT, ANY OTHER COLLATERAL FOR THE INDEBTEDNESS EVIDENCED HEREBY OR THE DEALINGS OR THE RELATIONSHIP BETWEEN OR AMONG THE PARTIES, OR ANY OF THEM. NONE OF THE PARTIES WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS PARAGRAPH HAVE BEEN FULLY NEGOTIATED THE WAIVER CONTAINED HEREIN IS BY THE PARTIES. IRREVOCABLE, CONSTITUTES A KNOWING AND VOLUNTARY WAIVER, AND SHALL BE SUBJECT TO NO EXCEPTIONS. BANK HAS IN NO WAY AGREED WITH OR REPRESENTED TO GUARANTOR OR ANY OTHER PARTY THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the day and year first above written.

## 

Clarence E. Burke, Jr.

STATE OF ALABAMA ) COUNTY OF BALDWIN)

I, the undersigned authority, in and for said County in said State, hereby certify that Clarence E. Burke, Jr., whose name is signed to the foregoing, individually, and who is known to me, acknowledged before me on this day that, being informed of the contents of said responses he executed the same voluntarily on the day the same bears date.

Given under my hand and seal on this the 4 day of June, 2007.

NOTARY PUBLIC

My Commission Expires: 9 26

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## Case 1:12-cv-00101-B Document 1 RCIAC GUARANTY Page 197 of 212 PageID #: 229

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing """" has been omitted due to text length limitations.

Borrower:

Rustel, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Wolf Creek Industries, Inc.

P. O. Box 1629 Foley, AL 36536

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtadness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty's Guarantor's inability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or Indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as Infancy, Insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mall, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of any remaining Guarantor under this Guaranty. A revocation Lender receives from any one or more Guara

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to altar, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, walve, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (B) this Guaranty; (C) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditvorthiness of Borrower; and (J) Guarantor has established adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guarantor, and Guarantor further agrees that, absent a

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protoet, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, andorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor;

Loan No: 5259114 (Continued) Page 2

(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or Impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against limitation is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in benkruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further walves and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legand that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guerenty will be governed by federal law applicable to Lender end, to the extent not preempted by federal law, the laws of the State of Floride without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lander's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and perol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferces of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the error of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY."

Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have walved any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either lander or Guarantor scaling the other.

Cross-Collaterelization. "All other collaterel of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

Loan No: 5259114

(Continued)

Page 3

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Rustal, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and ell other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 14, 2007.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Clarence S. Burke, Jr., President of Wolf Creek

Industries, inc.

LASER PRO Lending, Ver. 5 43,00,003 Copr. Hartend Rhenoul Selections, No. 1987, 2008. All Rights Reserved. R. an:CRILPILE20.FC TR-65104 PR-GENERAL

# **EXHIBIT X**

### 

#### **PROMISSORY NOTE**

	Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer         Initials           \$289,888.23         07-08-2008         07-08-2011         4954870         BW         BW
Ĩ	References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing ***** has been omitted due to text length limitations.

Borrower: Southern Magnolia Homes, LLC P. O. Box 1629

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950

1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$289,888.23 Interest Rate: 6.500% Date of Note: July 8, 2008

PROMISE TO PAY. Southern Magnolia Homes, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Eighty-nine Thousand Eight Hundred Eighty-eight & 23/100 Dollars (\$289,888.23), together with interest at the rate of 6.500% per annum on the unpaid principal balance from July 8, 2008, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in full Immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 35 regular payments of \$1,850.50 each and one irregular last payment estimated at \$281,490.83. Borrower's first payment is due August 8, 2008, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 8, 2011, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection coats; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse," or similar languages. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any other payment infastrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or ilimitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time, thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a gamishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good taith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default. (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa.".

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement,

## Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 202 of 212 PageID #: 234

**PROMISSORY NOTE** (Continued)

Page 2

Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated June 21, 2007 and is secured by the Mortgage dated June 14, 2006, recorded in Instrument No. 982083 and the Assignment of Rents dated June 14, 2006, recorded in Instrument No. 982084 in the Office of the Judge of Probate, Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the tollowing address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (Including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fall to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note. BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWE

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

Loan No: 4964870

SOUTHERN MAGNOLIA HOMES, LLC

WOLF CREEK INDUSTRIES, INC., Manager of Southern Magnolia Homes, LLC

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

LASER PRO Landing, Ver. 5.33.00.004. Gup., Harland Financial Bolutions, Inc. 1997, 2008. All Rights Reserved. - FL. wxCFNLPU020.FC TR-35854. PR-DENERAL

# **EXHIBIT Y**

BALDWIN COUNTY, ALABAMA TIM RUSSELL PROPATE JUDGE 36 16.00

#### RECORD & RETURN TO:

Hancock Bank ATTN: Lending Services P O Box 4020 Gulfport, MS 39502

PREPARED BY: Laurie Russell LOAN # 4964870



#### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- That certain Promissory Note dated July 08, 2008, executed by Southern Magnolia Homes, LLC (the "Borrower"), in the original principal amount of Two Hundred Eighty-Nine Thousand Eight Hundred Eighty-Eight and 23/100 Dollars (\$289,888.23) in favor of Peoples First (hereinafter referred to as the "Note");
- That certain Mortgage dated June 14, 2006, granted by the Borrower to Peoples First, and recorded as Official Records Instrument #982083, all of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- That certain Business Loan Agreement dated July 08, 2008, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- That certain Commercial Guaranty dated July 08, 2008, from Wolf Creek Industries, Inc., and that certain Commercial Guaranty dated July 08, 2008, from Clarence E. Burke, Jr., in favor of Peoples First (hereinafter referred to as the "Guaranty");
- That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on N/A, bearing Instrument No. \_\_\_\_\_, and recorded in Official Records Book of the public records of \_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- That certain Loan Policy of Title Insurance dated June 19, 2006, issued by First American Title Insurance Company, Loan Policy #FA-31-1082858, in the amount of \$290,000.00 (hereinafter referred to as the "Title Policy");
- That certain Assignment of Rents from Southern Magnolia Homes, LLC, dated June 14, 2006, and recorded as Official Record Instrument #982084, of the public records of Baldwin, County, Alabama (hereinafter referred to as the "Assignment of Rents");
- Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, County, case-styled , Case Number \_\_\_\_\_ (the "Claims").

The documents identified in paragraph(s) C, D, F and G above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. <u>Assignment of Note, Mortgage and Collateral Documents.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. Representations and Warranties. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of April 19, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Regina M. Lawrence
Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 19th day of April, 2010, within my jurisdiction, the within named Regina M. Lawrence, who (check one) X is personally known to me or has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public, Acting in the State and County Aforesaid (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

VOTARY PUBLIC

# **COMPOSITE EXHIBIT Z**

## Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 207 of 212 PageID #: 239

#### **COMMERCIAL GUARANTY**

Principa	I Loan Date Maturity Loan No Call / Coll Account Officer Initials
Refere	nces in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """ has been omitted due to text length Ilmitations.

Borrower: Southern Magnolia Homes, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Wolf Creek Industries, Inc.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpakl taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents a

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on surelyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

#### **COMMERCIAL GUARANTY** (Continued)

Page 2 Loan No: 4964870

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the walvers are reasonable and not contrary to public policy or law. If any such walver is determined to be contrary to any applicable law or public policy, such walver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other accounts, This includes all accounts Guarantor holds jointly with someone else and all accounts. This includes all accounts Guarantor holds jointly with someone else and all accounts. Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, Subdivibility of Bornower Subdivibility and the superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modity or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender) factories feet accords. representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or the officers, directors, naturers, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mall, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter piedged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Southern Magnolia Homes, LLC and includes all co-signers and co-makers signing the Note and all their

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

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COMMERCIAL GUARANTY (Continued)

Page 3

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Loan No: 4964870

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 8, 2008, in the original principal amount of \$289,888.23 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 8, 2008.

EFFECTIVE. THIS GUARANTY IS DATED JULY 8, 2008.	
GUARANTOR:	
//	
WOLF CREEK INDUSTRIES, INC.	
·	
By: Ctarence E. Burke, Jr., President of Wolf Creek	
Industries, Inc.	
CORPORA	TE ACKNOWLEDGMENT
STATE OF CULLYUMA	
	)
COUNTY OF BUILDING	) SS
COUNTY OF	,
The foregoing instrument was acknowledged before me this	Inc., an Alabama corporation, on behalf of the corporation. He or she is personally
by Clarence E. Burke, Jr., President of Wolf Creek Industries, known to me or has produced	Inc., an Alabama corporation, on behalf of the corporation. He or she is personally as identification and did / did not take an oath.
Another to the or has proceeded	
	Marie Datum
	(Signature of Person Taking Acknowledgment)
	(Name of Acknowledger Typed, Printed or Stamped)
	(Halling of Mothlomouget, Typod) Times of Tamper,
A CONTRACTOR OF THE PROPERTY O	(Title or Rank)
	(Serial Number, if any)
A Company of the Comp	
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LASER PRO Londing, Ver 5 33 00 004 Capt Harland Financial Solutions, Inc.	. 1987, 2008. All Rights Reserved Ft. w.CFALPI-120 FC TR-35854 PR-GENERAL.

### Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 210 of 212 PageID #: 242

#### **COMMERCIAL GUARANTY**

	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials BW
ı	References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing **** has been omitted due to text length limitations.

Borrower: Southern Magnolia Homes, LLC P. O. Box 1629

Foley, AL 36536

Lender:

Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Clarence E. Burke, Jr.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guaranter absolutely and unconditionally guarantees full

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If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

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Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guarantles of the Indebtedness.

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GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower, (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, walve, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's extensions and what application of sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without imitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine;
(G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor, (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power, or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights of defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the

## COMMERCIAL GUARANTY (Continued)

Page 2

Indebtedoese. If payment is made by Borrower, whether voluntarily or otherwise or by any third party, on the indebtedness and thereafter Lender is

Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender and in the same assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

GARNISHMENT. Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Quaranty.

Loan No: 4964870

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Guaranty has been accepted by Lender in the State of Florida.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certifled or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

CROSS-COLLATERALIZATION. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Southern Magnolia Homes, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

## Case 1:12-cv-00101-B Document 1-1 Filed 02/22/12 Page 212 of 212 PageID #: 244

COMMERCIAL GUARANTY (Continued)

Loan No: 4964870 (Continued)

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Page 3

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 8, 2008, in the original principal amount of \$289,888.23 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY FEFFECTIVE. THIS GUARANTY IS DATED JULY 8, 2008.

EFFECTIVE. THIS GUARANTY IS DATED JULY 8, 2008. GUARANTOR:	
x	<u></u>
Clarence E. Burke, Jr.	
INDIVIE	OUAL ACKNOWLEDGMENT
STATE OF <u>Alabama</u>	1
STATE OF COLUMN	) ) \$\$
COUNTY OF BUILDWIN	)
The foregoing Instrument was acknowledged before me this by Clarence E. Burke, Jr., who is personally known to me or not take an oath.	who has produced day of as identification and did / did
1 1 1	(Signature of Person Taking Acknowledgment)
and the state of t	MARIE TATUM
10 10 10 10 10 10 10 10 10 10 10 10 10 1	(Name of Acknowledger Typed, Printed or Stamped)
	(Title or Rank)
The state of the s	
	(Serial Number, if any)
A STATE OF THE STA	

# **COMPOSITE EXHIBIT AA**

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Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer         Initials           \$915,000.00         01-27-2009         01-27-2010         520595468         BW         BW
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Wolf Creek Industries, Inc.

P.O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CREIGHTON ROAD 940 CREIGHTON RD PENSACOLA, FL 32504

Principal Amount: \$915,000.00 Initial Rate: 5.500% Date of Note: January 27, 2009

PROMISE TO PAY. Wolf Creek Industries, Inc. ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Nine Hundred Fifteen Thousand & 00/100 Dollars (\$915,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on January 27, 2010. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning February 27, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 5.500% per annum. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 5.500% per annum or more than (except for any higher default rate shown below) the lesser of 9.500% per annum or the maximum rate allowed by applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CREIGHTON ROD, PENSACOLA, FL 32504.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change In Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of ESCAMBIA County, State of Florida.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keegh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any

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(Continued)

Page 2 Loan No: 520595468

and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabar

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

ZERO BALANCE FOR PERIOD OF THIRTY DAYS. During the period of this loan, not less than thirty days and not more than 12 months, the balance of this loan must be at zero for a period of not less than thirty consecutive days.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated December 27, 2007 and is secured by the Mortgage and Security Agreement dated December 20, 1999, recorded in Instrument Number 526068 in the Office of the Judge of Probate of Baldwin County, Alabama; Note and Mortgage Modification Agreement dated August 3, 2001, recorded in instrument Number 625771 in the Office of the Judge of Probate of Baldwin County, Alabama and the Substitution of Collateral dated April 10, 2006, recorded in instrument Number 969583 in the Office of the Judge of Probate of Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such writing, he party who sight this note, whether as maker, guarantor, accommodation maker of endorser, shall be reassed from healthy, and the parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

WOLP CREEK INDUSTRIES, INC.

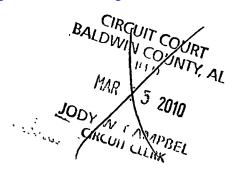
Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

# **EXHIBIT BB**

PREPARED BY, RECORD & RETURN TO:

Hancock Bank Attn. Lending Services P.O. Box 59950 Panama City, FL 32412



## ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain Promissory Note dated January 27, 2009 executed by Wolf Creek Industries, Inc. (the "Borrower"), in the original principal amount of Nine Hundred Fifteen Thousand and 00/100 Dollars (\$915,000.00) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain Mortgage and Security Agreement dated December 20, 1999, granted by the Borrower to Peoples First, and recorded in Official Records Book as Instrument Number 526068, as amended by Note and Mortgage Modification Agreement dated August 3, 2001, and recorded in Official Records Book as Instrument #625771, as amended by Substitution of Collateral dated April 10, 2006 and recorded in Official Records Book as Instrument #969583, all of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;

BALDWIN COUNTY, ALABAMA PROBATE JUDGE Filed/cert 4/ 8/2010 1:32 PM TOTAL \$ 19.00 3 Pages



C. That certain Business Loan Agreement dated January 27, 2009, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
D. That certain Commercial Guaranty dated January 27, 2009, from Clarence E. Burke, Jr., in favor of Peoples First (hereinafter referred to as the "Guaranty");
E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on,, bearing Instrument No and recorded in Official Records Book, page, of the public records of County, Florida (hereinafter collectively referred to as the "Financing Statements"); and
F. That certain Loan Policy of Title Insurance dated N/A, issued by Title Insurance Company, Loan Policy # in the amount of (hereinafter referred to as the "Title Policy").
G. That certain N/A from, dated, (hereinafter referred to as the "").
H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, County, case-styled, Case Number (the "Claims").
The documents identified in paragraphs B, C and D above are hereinafter collectively referred to as the "Collateral Documents."
NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor,

receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- Assignment of Note, Mortgage and Collateral Documents. Assignor hereby 1. unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."

- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of March 18, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Regina M. Lawrence

Title: Attorney-in-Fact

STATE OF FLORIDA COUNTY OF Bay

On the 18th day of March, 2010, before me, the undersigned, personally appeared Regina M. Lawrence, the Attorney-in-Fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, on behalf of the corporation, who is (check one) X is personally known to me or \_\_\_\_ has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument. Notary Public, Acting in the State and County DESIREE D. MOATES Aforesaid DESIREE & MORKS Notary Public - State of Florida (Print Name) Ay Comm. Expires Aug 18, 2013 My Commission Expires: (See Notary Seal) Commission # DD 917935 My Commission Number is: (See Notary Seal)

# **EXHIBIT CC**

## Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 9 of 110 PageID #: 253 COMMERCIAL GUARANTY

Principal Loan Date Maturity Loan No Call Coll: Account Officer Initials

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Any item above containing "\*\*" has been omitted due to text length limitations.

Borrower: Wolf Creek Industries, Inc.

P.O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CREIGHTON ROAD 940 CREIGHTON RD PENSACOLA, FL 32504

Guarantor: Clarence E. Burke, Jr.

P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

CONTINUING GUARANTY. THIS GUARANTY ENCOMPASSES A LINE OF CREDIT AND GUARANTOR UNDERSTANDS AND AGREES THAT THIS GUARANTY SHALL BE OPEN AND CONTINUOUS UNTIL THE INDEBTEDNESS IS PAID IN FULL AND THE LENDER DECLARES THAT THE LINE OF CREDIT IS FULLY SATISFIED, PERFORMED AND TERMINATED.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of the Indebtedness. Guarantor specifically acknowledges and agrees that fluctuations in the amount of the Indebtedness, even to zero dollars (\$ 0.00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty; is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition. (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as established adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this fourantor made on representation to recommens which might in any

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law. Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Page 2 (Continued) Loan No: 520595468

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency," law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may soffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of approver, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty. Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes created, shall be superior to any claim that dual-anton may now have of hereafter because successful and the following insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower. claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty. under this Guaranty

GARNISHMENT. Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees: Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable Attorneys Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of ESCAMBIA County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the address-shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender, Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other signed by Lender. No delay of omission on the part of Lender in exercising any injurishan operate as a wave of some some of the formand strict compliance with that provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Loan No: 520595468

#### (Continued)

Page 3

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Wolf Creek Industries, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means the promissory note dated January 27, 2009, in the original principal amount of \$915,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JANUARY 27, 2009.

GUARANTOR/

Clarence E. Burke, Jr.

LASER PHO Lending, Ver. 6 40 00 003 Copi. Harland Financial Solutions, Inc. 1927, 2002. As Highly Reserved. FL W. CPVLPUEZO.CC TR-0417 PH-GENERAL

# **EXHIBIT DD**

#### PROMISSORY NOTE

Principal \$3.277.665.0	Loan Date   Maturity   Loan No   Call / Coll   Account   Officer   Initials   2 06-29-2009   06-29-2011   4914107   WISEB
References in	the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """" has been omitted due to text length limitations.

Borrower:

Country Club Development, LLC 14747 Underwood Rd. Summerdale, AL 36580 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$3,277,665.02

Date of Note: June 29, 2009

PROMISE TO PAY. Country Club Development, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Three Million Two Hundred Seventy-seven Thousand Six Hundred Sixty-five & 02/100 Dollars (\$3,277,665.02), together with interest on the unpaid principal balance from June 29, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand in made, Borrower will pay this loan in one principal payment of \$3,277,665.02 plus interest on June 29, 2011. This payment due on June 29, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 29, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Elorrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note If Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' ress and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida

#### **PROMISSORY NOTE** (Continued)

Loan No: 4914107

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether RIGHT OF SETUPE. To the extent permitted by applicable law, Lender reserves a ngm or setorn in an borrower's accounts with Lender (whether checking, savings, or some other accounts). This includes all accounts Borrower hads jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accourts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated December 6, 2007 as modified by Note Modification Agreements dated January 8, 2009 and February 6, 2009 and is secured by that certain Mortgage dated April 14, 2006 and recorded in Instrument #972619 filed in the Office of the Judge of Probate of Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE

LASER PRO Landing, Ver. 5.45.00.004. Copy. Harland Financial Solutions, Inc. 1997, 2009. All Rights Reserved . Ft. = KCFM.PL.D20.FC TR.45257 PR.GENERAL

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

COUNTRY CLUB DEVELOPMENT, LLC

MAGNOLIA RIVER MANAGEMENT, LLC, Manager of Country Club Development, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

## **EXHIBIT EE**

BALDWIN COUNTY, ALABAMA Threndstell probate undge Filedieri. 9/24/2010 11:21 AM Total S 19.00 3 Pages

#### **RECORD & RETURN TO:**

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Stephanie Bush/Desiree Moates

LOAN# 4914107

### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

19.00

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7th Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, Ali Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory Note</u> dated <u>June 29, 2009</u>, executed by <u>Country Club Development</u>, <u>LLC</u>. (the "Borrower"), in the original principal amount of <u>Three Million Two Hundred Seventy-Seven Thousand Six Hundred Sixty-Five and 02 /100 Dollars (\$3,277,665.02</u>) in favor of Peoples First (hereinafter referred to as the "Note");
- That certain First Real Estate Mortgage and Fixture Filing dated April 14, 2006, granted by the Borrower to Peoples First, and recorded in Official Records Instrument No. 972619, as amended by a Partial Release dated February 27, 2007 and recorded in Official Records Instrument No. 1035991, as amended by a Partial Release dated March 8, 2007 and recorded in Official Records Instrument No. 1041053, as amended by a Partial Release dated May 30, 2007 and recorded in Official Records Instrument No. 1055414, as amended by a Partial Release dated September 5, 2007 and recorded in Official Records Instrument No. 1076312, as amended by a Partial Release dated September 25, 2007 and recorded in Official Records Instrument No. 1080833, as amended by a Partial Release dated February 11, 2008 and recorded in Official Records Instrument No. 1102632, as amended by a Partial Release dated April 21, 2008 and recorded in Official Records Instrument No. 1114090, as amended by a Partial Release dated May 20, 2008 and recorded in Official Records Instrument No. 1119765, as amended by a Partial Release dated August 4, 2008 and recorded in Official Records Instrument No. 1132793, as amended by a Partial Release dated July 22, 2008 and recorded in Official Records Instrument No. 1132794, as amended by a Partial Release dated August 25, 2008 and recorded in Official Records Instrument No. 1138254, as amended by a Partial Release dated September 23, 2009 and recorded in Official Records Instrument No. 1201305, of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business Loan Agreement</u> dated <u>June 29, 2009</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- D. That certain Commercial Guaranty dated June 29, 2009, from Albert Corte, III, and that certain Commercial Guaranty dated June 29, 2009, from AC3, Inc., certain Commercial Guaranty dated June 29, 2009, from Wolf Creek Industries, Inc., certain Commercial Guaranty dated June 29, 2009, from Clarence E. Burke, Jr., in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on <u>April 25, 2006</u>, bearing Instrument No. <u>06-0379828</u>, of the public records of Secretary of State, Florida (hereinafter collectively referred to as the "Financing Statements")

F. That certain Loan Policy of Title Insurance dated May 3, 2006, issued by First American Title Insurance Company, Loan Policy #FA-31-1082813, in the amount of \$4,200,000.00 (hereinafter referred to as the "Title Policy");
G. That certain N/A dated, granted by the Borrower to Peoples First and recorded in Official Records Book, Page, of the public records of County, Florida; (hereinafter referred to as the ").
H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, County, case-styled, Case Number (the "Claims").
The documents identified in paragraph(s) C, D, E and F above are hereinafter collectively referred to as the "Collateral Documents."
NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:
1. <u>Assignment of Note, Mortgage and Collateral Documents.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
<ol> <li>Assignment of Claims. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.</li> </ol>
4. <u>Representations and Warranties.</u> In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
<ol> <li>Successors and Assigns. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.</li> </ol>
IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of August 31, 2010.
PEDED AT DEPOSIT INSURANCE CORPORATION.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

By: Lisa L. Jones

Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the day of POCH 2010, within my jurisdiction, the within named Lisa L. Jones, who (check one) is personally known to me or has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public Acting in the State and County Aforesaid (Print Name) | PONG COUNTY

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

MISSISSION NO STATE OF THE PUBLISH O

-4-

## **EXHIBIT FF**

#### PROMISSORY NOTE

Officer Principal Loan Oate Maturity Loan No. \$1,0774663713 07-16-2009 07-16-2011 34974339 WISEB References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item

Any item above containing \*\*\*\*\*\* has been omitted due to text length limitations.

Borrower:

Country Club Development, LLC P. O. Box 1629 Foley, AL 38535

Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$1,077,463.13

Date of Note: July 16, 2009

PROMISE TO PAY. Country Club Development, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Seventy-seven Thousand Four Hundred Stxty-three & 13/100 Dollars (\$1,077,463.13), together with interest on the unpaid principal balance from July 16, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$1,077,463.13 plus interest on July 16, 2011. This payment due on July 16, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning August 16, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writino.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "index"). The index is not necessarily the lowest rate charged by Lender on its loans. If the index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The index currently is 3.250% per annum. Interest on the unpaid understands that Lender may make loans based on other rates as well. The index currently is 3.250% per annum. Interest on the unpaid understands that Lender may make loans based on other rates as well. The index currently is 3.250% per annum. Interest on the unpaid percentage points over the index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law. rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrowers obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sands such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

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Payment Default. Borrower falls to make any payment when due under this Note.

Other Defaults. Borrower falls to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Faise Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence; as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

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Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default. (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State

Loan No: 4914339

#### **PROMISSORY NOTE** (Continued)

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff techts needed in this parameter.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Piedge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated June 12, 2008 and secured by a Mortgage dated April 14, 2006 and recorded April 21, 2006 in Instrument No. 970119 in the Office of the Judge of Probate, Baldwin County, Alabama.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(les) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to heirein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by dederal law or the law of the State of Florida (as applicable). Any such excess interest or nauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this toan or release any party or guarantor or collateral; or impair, fall to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

COUNTRY CLUB DEVELOPMENT, LLC

MAGNOLIA RIVER MANAGEMENT, LLC, Manager of Country Club Development, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC

President of Summit E. Burke. Clarence

Construction Company, Inc.

# **COMPOSITE EXHIBIT GG**

#### COMMERCIAL GUAR/INTY

Principal Loan Date Maturity Loan No Call Coll	Account Officer Initials WISEB
References in the boxes above are for Lender's use only and do not limit the applicability of to Any item above containing "***" has been omitted due to text le	his document to any particular loan or item. ngth limitations.

Borrower: Country Club Development, LLC

14747 Underwood Ro Summerdale, AL 36580 Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor: Albert Corte, III

22881 U.S. Highway 38, Building J Fairhope, AL 36532

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a gue anty of payment and performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a gue anty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower I dividually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, excensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and 'osts for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes de land on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor uncer this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Cuaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Gua anty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessaning Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend. accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness. including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guarant, or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with with substitution of new collateral; (D) to release substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endowers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guar infors financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition, the financial condition, claim, investigation, administrative proceeding or similar action (including those for unpa of taxes) against Guarantor is pending or no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (i) Lender has made no representation to Guarantor as to the creditworth ness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regardly g Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borro ver.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) day; after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satis actory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional sitisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in acc irdance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, lemand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any oner law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by ender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for re-mbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower. of any other guarantor, or of any other person, or by reason of the cessation c. Borrower's liability from any cause whatsoever, other

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim di charge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by an applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and there are I Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or six is bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deduction. to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keoph ac tounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable faw, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender an 'shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time 1 if file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary in appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes tree entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the afteration or an:andment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lendr's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the er-forcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs at a sexpenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not the a is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such inditional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lend r and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or entropy. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or regit ared mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's; iddress. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice give: to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under his Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent Instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following mealings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note end all their successors and assigns.

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Albert Corte, III, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Ind. bledness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lende: as more particularly described in this Guaranty

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,277,665.02 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refine ucings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PRCVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTI IUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE E / LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

Albert Corte, Ill

LASER PRO Levery, Val. 8 45.00.004 Copt. Refert Financial Southorn, Inc. 1887, 2008 ANRIQUE Reserves . FL in ICHARASE DEC 18:412157 PROSERENCE

#### COMMERCIAL GUARANTY

Call Coll Account Officer initials Loan No Loan Date Maturity Principal WISEB References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item
Any Item above containing """" has been omitted due to text length limitations.

Borrower:

Country Club Development, LLC 14747 Underwood Rd. Summerdale, AL. 36580

Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor:

AC3, Inc. 22881 U.S. Highway 98, Building J Fairhope, AL 36532

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable considerativin, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this carrant, or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' tees, ansing from any and all debts, liabilities and obligations that Borrower is dividually or collectively or interchangeably with others swest or will owe Lender under the Note and Related Documents and any renewals, examisins, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaran y and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and a sosts for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes der and on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness

The above limitation on liability is not a restriction on the amount of the Note of Borrowe: to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender will nout the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedne's shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Gua anty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or deinand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to forower; (B) to after, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other term, of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Graranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or withr ut the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endor, as, or other guarantors on any terms or in any manner. Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole r in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty. (8) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (0) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition is of the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including tiose for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower, and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor any information or documents acquired by Lender in the course of its relationship with Borro'er. GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or information or documents acquired by Lender in the course of its relationship with Borro er.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the ollowing:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satis actory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional sedisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in acc rdance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower: (B) to make any presentment, protest, remand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness of in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, a y other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any of er law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's cor mencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by t-inder which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for re inbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation or Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 2

than payment in full in legal tender, of the indebtedness; (D) any right to claim di charge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (E) any statute of limitations, if a any time any action or sult brought by Lender against Guarantor is commenced, there is outstanding indebtedness which is not barred by a r applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance if the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and therear at Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or stille bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Gua anty.

Guarantor further waives and agrees not to assert or claim at any time any deduction, to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the sorrower the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrant: and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, there the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a ght of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Gua antor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guarantor.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have a ainst Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire a ainst Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guarantor shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guarantor.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes tile entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Exponses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not the e is a lawaut including reasonable attorneys' fees and legal expenses whether or not the e is a lawaut including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacat any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court oc sts and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation, in all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction is require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposit id with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or regis ered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's a diress. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have walved any rights under this Guaranty unless such walver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a walver of such right or any other right. A walver by Lender of a provision of this Guaranty shall not prejudice or constitute a walver of Lender's right otherwise to demand strict compliance with that provision or on other provision of this Guaranty. No price walver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a walver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's hor sehold goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall, e a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following mearings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful mor by of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and include all co-signers and co-makers signing the Note and all their successors and assigns.

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation AC3, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lende as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,277,665.02 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinencings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notats, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collaboral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PRC-VISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

**GUARANTOR:** 

AC3, INC/

Albert Corte, III, President of AC3, Inc.

LASEA PRO Limiting Vir. 3 45:00 004. Cop. Hartest Financial Baldonia, Inc. 1997, 2009. All Rights Reserved. - FL WICERSPLEZO FC. TR.45257. PRINCENDIAL

#### COMMERCIAL GUARANTY

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initial WISEB	IS
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.	

Borrower: Country Club Development, LLC

14747 Underwood Rd. Summerdale, AL 36580 Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Wolf Creek Industries, Inc.

P. D. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this caranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and If there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source Including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (E) to after, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness including increases and decreases of the rate of interest on the Indebtedness; extensions may be 'epeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (8) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender in and will material respects and fairly present Guarantor's financial condition so of the dates the financial information is provided; (G) no material adverse change has occurred which may malerially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor aspects to keep adequately informed from such means of any facts, events, or circumstances which might in arry way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

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Guarantor also walves any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 4914107

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

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Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

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Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to Inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or ormission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lenders right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts insall man amounts in lawling amounts of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" maan Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,277,665.02 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

LASER PRO Lensing, Vol. 5 45.00.004. Copy. Harand Francial Solutions, Inc. 1997, 2009. All Reputs Reserves. Ft. #:CFILIPLYE20 FC. TR-45237. PRICENERAL

#### COMMERCIAL GUARANTY

Principal Loan Date Maturity.	Loan No Call / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only Any item above containing	and do not limit the applicability of this document to any particular loan or item.

Borrower:

Country Club Development, LLC 14747 Underwood Rd. Summerdale, AL 36580 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Pennstar, LLC P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Londer can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtadness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided: (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor appeals to keep adequately informed from such means of any facts, events, or cir

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's Lability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 4914107

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in paymentary or to any similar parent under any federal or state hardwards and the relief of debters the to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal lender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the atteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and ane not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of taw provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County. State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty, Guarantor has had the opportunity to be advised by Guarantor's attentions and pario evidence is not required to interpret the terms of this Guaranty. He Guaranty fully reflects Guarantor's intentions and pario evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses. claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors. Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender. No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's Interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.\*.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Pennstar, LLC, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,277,665.02 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE: UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

LASER PRO Lending, Ver. 5.45.00,004. Copy. Harbord Financial Solubions, Inc. 1887, 7009. All Rights Reteried. - R. WYGFR PLEZO FC. TR.45267. PR.GENERAL

GUARANTOR:

PENNSTAR, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Pennstar, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

#### COMMERCIAL GUARANTY

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1/2	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials
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٦	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
	Any item above containing "*** has been omitted due to text length limitations.

Borrower:

Country Club Development, LLC 14747 Underwood Rd. Summerdale, AL 36580 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Clarence E. Burke, Jr. P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, Interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's lability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (E) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's suretices, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer his Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor, (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information which currently has been, and all future financial information which will be provided to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information provided (C) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information, provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such mea

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lerder.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtednesss. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and Thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and any not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nat onally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep tender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 3

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914107

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,277,665.02 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR

Clarence E. Burke, Jr.

UASER PRO Landing, Var. 5 45 00 004. Copt. Harland Fhandel Solations, Inc. 1997, 2009. All Rights Reserves. - PL WICFRENIES OF TR-45237. PRIGENERAL

# **COMPOSITE EXHIBIT HH**

#### COMMERCIAL GUARANTY

Principal	Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB	, Y
References in the b	oxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.	

Borrower: Country Club Development, LLC

P. O. Box 1629 Foley, AL 36535 Lender: Peoples First Community Bank CORPORATE CENTER

PO Box 59950 1022 W 23rd St Panama City, FL 32412

Clarence E. Burke, Jr. P. O. Box 1629 Guarantor:

Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guarantor even when Lender has not etherlies remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or detection or counterciains and will otherwise perform Borrower's obligations upter the Note and Related Documents. deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will not be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without ressenting Guarantor rauthorizes tender, without notice or demand and without ressenting Guarantor rauthorizes tability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial condition as of the dates the financial information is received; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (f) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as sestablished adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as well adequated means of obtaining from Borrower on a GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor;
(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 2

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means the promissory note dated July 16, 2009, in the original principal amount of \$1,077,463.13 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION HILLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 16, 2009.

GUARANTOR:

Clarence E. Burke, Jr.

#### COMMERCIAL GUARANTY

Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Country Club Development, LLC

P. O. Box 1629 Foley, AL 36535

Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor:

Pennstar, LLC P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

ove limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guarantor or termination of any other guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with very without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to be termine the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor askes to keep adequately informed from such means of any facts, events, or circumst GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor;
(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogalion rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

Page 2

#### COMMERCIAL GUARANTY (Continued)

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, or the Indebtedness and thereafter Lender is forced to remit the amount of that payment.

to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Consequence checking, savings, or some other accounts. This includes an accounts of the section of the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in least tender of the Indebtedness. legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Loan No: 4914339

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the lerms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby Indemnifies and holds Lender harmless from all losses. claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf and any indebtedness made or created in relapped under this. their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

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DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code.

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Pennstar, LLC, and in each case, any signer's successors and assigns.

Page 3

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 16, 2009, in the original principal amount of \$1,077,463.13 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 16, 2009.

**GUARANTOR:** 

PENNSTAR,

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Pennstar, LLC

Ву:

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

LASER PRO Lending, Ver. 5.45.00.004 Copt. Harging Francial Solutions, Inc. 1997, 2009. As Rights Resembed. - FL HI CFILP LETO FC. 18-1108. PRIGENERAL

	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
ŀ	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Country Club Development, LLC Borrower:

P. O. Box 1629 Foley, AL 36535

Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Wolf Creek Industries, Inc. Guarantor:

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any INDEBLEMESS. The word indedledness as used in this buaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Lender snail determine Guarantor's Share of the indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness. accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Garanty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (G) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information information which currently has been, and all future financial information which will be provided to Lender and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor has established means of obtainin

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and ail rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

## COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 2

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 16, 2009. In the original principal amount of \$1,077,463.13 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 16, 2009.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

CASER PRO Landing, Var 5 45 00 004 Copt. Harland Francial Shadding, Inc. 1897 7009 All Rysig Reserved . Ft. NIGERLPLEZUEC THIS 105 PROSMERAL

Principal Loan Date Maturity Loan No cal / Coll Account Officer Initials WISEB
References in the boxes above are for Lender's use only and do not limit the applica-ility of this document to any particular loan or item.  Any item above containing """" has been omitted due to text length limitations.

Borrower: Country Club Development, LLC

P. O. Box 1629 Foley, AL 36535 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Albert Corte, Ill

22881 U.S. Highway 98, Building J

Fairhope, AL 36532

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness or Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited billaw, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Lender shall determine Surai for Share of the indebteures when Conditions and the shall be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender w thout the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in fill. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; exten ions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaran-y or the Indebtedness, and exchange, enforce, waive, subordinate, fall or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endo-sers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without tim tatlon, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents any warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has fill power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under an a greement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, trai sfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Gua antor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditwort liness of Borrower; and (J) Guarantor raspes, to adequate means of obtaining from Borrower on a continuing basis information regard in Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lende shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borr wer.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form sat sfactory to Lender

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waive: any right to require Lender. (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional toans or obligations; (C) to resort for payment or to proceed directly or at once agains any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's c mmencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for esimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness: (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

# COMMERCIAL GUARA ITY (Continued)

Loan No: 4914339

Page 2

than payment in full in legal tender, of the Indebtedness: (D) any right to claim cuscharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, inder the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

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SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolve against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolve against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolve against Borrower, upon any account whatsoever, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to the Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaran

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes he entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lencer's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacare any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court it better a distinct and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purpos is only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, 'then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professec exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepald, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address on notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No pior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meunings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and Incluses all co-signers and co-makers signing the Note and all their successors and assigns.

# COMMERCIAL GUARA ITY (Continued)

Loan No: 4914339

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Albert Corte, III, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lend, r as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 16, 2009, in the c iginal principal amount of \$1,077,463.13 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE 3Y LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 16, 2009.

GUARANTOR:

Albert Corte, III

LASER PRO Lending, var 5 45 00,004 Copt. Hartens Prunodel Solutions, Inc. 1997 2009 As Rights Reserve 1 - FL #ICFNLPLE20 FC TH 43108 PR GENERAL

ļ	Principal Loan Date Maturity Loan No car / Coll Account Officer Initials WISEB
	References in the boxes above are for Lender's use only and do not limit the applica slity of this document to any particular loan or item.  Any item above containing "*** has been omitted due :> text length limitations.

Country Club Development, LLC Borrower:

P. O. Box 1629 Foley, AL 36535 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: AC3, Inc.

22881 U.S. Highway 98, Building J

Fairhope, AL 36532

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness or Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guaranto. After a determination, occasionally shall be added to the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and salisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endo.sers, or other guarantors on any terms or in any manner. substitute, agree not to sue, or deal with any one or more of borrower's surelies, endo, sers, or other guarantors on any terms or in any infamer. Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor; and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially alt of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will rovide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litication, administrative proceeding or similar action (Including those for unpaid taxes) against Guarantor is pending or Innancial statements provided to Lender and no event has occurred which may materially aversary affect distantion initiated contents, the litigation, claim, investigation, administrative proceeding of similar action (including those for unpaid taxes) against Guarantor is pending of threatened; (I) Lender has made no representation to Guarantor as to the creditworth iness of Borrower, and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's fisks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following.

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waive: any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by under which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for rulmbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging that Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

# COMMERCIAL GUARANTY (Continued)

Loan No: 4914339 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim c scharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or sult brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any delenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and there iter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Gurranty.

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RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

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Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty. Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction to require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor espectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty aven if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or one other provision of this Guaranty. No or waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby walve the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following me nings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful mt ney of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Country Club Development, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

### COMMERCIAL GUARANTY (Continued)

Loan No: 4914339

(Continued)

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation AC3, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated July 16, 2009, in the original principal amount of \$1,077,463.13 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JULY 16, 2009.

USER PRO Landing, Var. \$ 45,00,004. Copt. Harland Francial Solutions, Inc. 1997, 2009. All Rights Reserved. . FL ... W.C.FELPLY(2) FC T21-15106. PRIGDIERAL

GUARANTOR:

AC3, INC.

Albert Corte, III, President of AC3, Inc.

# **EXHIBIT II**

#### **PROMISSORY NOTE**

	Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer Initials           \$740,835.00         08-10-2009         08-10-2011         4620928         BW
Ì	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 10:22 W 23rd St. Panama City, FL 32412

Principal Amount: \$740,835.00

Date of Note: August 10, 2009

PROMISE TO PAY. Crossroads, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Seven Hundred Forty Thousand Eight Hundred Thirty-five & 00/100 Dollars (\$740,835.00), together with Interest on the unpaid principal balance from August 10, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$740,835.00 plus interest on August 10, 2011. This payment due on August 10, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning September 10, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The Interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initiate of 4,000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4,000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17,500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfetture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State

Page 2

#### **PROMISSORY NOTE** (Continued)

Loan No: 4620928

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this parameter. rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Baldwin County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa."

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated August 11, 2008 and is secured by the Real Estate Mortgage and Fixture Filing dated June 9, 2005, recorded in Instrument #899620 in the Judge of Probate, Baldwin County, Alabama and the Modification to First Real Estate Mortgage and Fixture Filing dated January 4, 2007, recorded in Instrument #10247507 in the Judge of Probate, Baldwin County.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may each of orgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this lo

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CROSSROADS, LLC

MAGNOLIA RIVER MANAGEMENT, LLC, Manager of Crossroads, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC

Clarence E. Burke, Jr., President of Summit Construction Company, Inc.

LASER PRO Landing. Var. 5.45.00.004. Copr. Harland Financial Solutions, Inc. 1997, 2009. All Rights Rescribed. - Ft. w. CFN PLIDZO FC. TR-JB022. PR-GENERAL

# **EXHIBIT JJ**

PREPARED BY, RECORD & RETURN TO: MARY BUSH

Hancock Bank
Attn: Lending Services
206 E. Railroad Street

Long Beach, MS 39560

LOAN # 4620928

### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS (v. 030510)

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain Promissory Note dated August 10, 2009 executed by Crossroads, LLC. (the "Borrower"), in the original principal amount of Seven hundred forty thousand eight hundred thirty-five and 00/100 Dollars (\$740,835.00) in favor of Peoples First (hereinafter referred to as the "Note");
- B. That certain First Real Estate Mortgage and Fixture Filing Mortgage dated June 9, 2005 granted by the Borrower to Peoples First, and recorded in Official Records Instrument #899620, Page 1-11, as amended by Modification to First Real Estate Mortgage and Fixture Filing dated January 4, 2007, and recorded in Official Records instrument #1024750, Page 3, all of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain **Developmental** Loan Agreement dated **January 4**, 2007 by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- D. That certain Guaranty Agreement dated January 24, 2008, from Clarence E. Burke, Jr., Robert T. Cunningham III, John B. Foley IV, Wolf Creek Industries, Inc. and Pennstar, LLC in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on N/A, \_\_\_\_, bearing Instrument No. \_\_\_\_ and recorded in Official Records Book \_\_\_\_, page \_\_\_\_, of the public records of \_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements"); and
- F. That certain Loan Policy of Title Insurance dated June 16, 2005, issued by First American Title Insurance Company, Loan Policy # FA-31-999695 in the amount of \$591,500.00 further Endorsement dated February 22, 2007, Loan policy # FA-31-999695 issuing office file # BTG-05059804A in the amount of \$1,299,300.00 (hereinafter referred to as the "Title Policy").

BALDWIN COUNTY, ALABAMA PROBATE JUDGE Filed/cert. 4/8/2010 1:33 PM TOTAL \$ 16 00 2 Pages The documents identified in paragraphs C, D, & F above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. <u>Assignment of Note, Mortgage and Collateral Documents.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of March 31, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Lisa L. Jones Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 31<sup>st</sup> day of March, 2010, within my jurisdiction, the within named **Lisa L. Jones**, who (check one) X is personally known to me or has provided me with (insert type of identification) as satisfactory evidence that he/she is the person who executed this

instrument and who acknowledged that she is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public Acting in the State and County Aforesaid (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is: (See Notary Seal)

-2-

# **EXHIBIT KK**

#### PROMISSORY NOTE

	Principal         Loan Date         Maturity         Loan No         Call / Coll         Account         Officer         Initials           \$3,123,719.00         06-29-2009         06-29-2011         5404272         WISEB
1	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Principal Amount: \$3,123,719.00

Date of Note: June 29, 2009

PROMISE TO PAY. Crossroads, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Three Million One Hundred Twenty-three Thousand Seven Hundred Nineteen & 00/100 Dollars (\$3,123,719.00), together with interest on the unpaid principal balance from June 29, 2009, until paid in full.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one principal payment of \$3,123,719.00 plus Interest on June 29, 2011. This payment due on June 29, 2011, will be for all principal and all accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 29, 2009, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the the New York Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this Ioan, Lender may designate a substitute Index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 3.250% per annum. Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 0.750 percentage points over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 4.000% per annum based on a year of 360 days. NOTICE: Under no circumstances will the effective rate of interest on this Note be less than 4.000% per annum or more than (except for any higher default rate shown below) the lesser of 8.000% per annum or the maximum rate allowed by applicable law.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "pald in full", "without recourse" or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or ilmitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 59950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within thirty (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida

## PROMISSORY NOTE (Continued)

Loan No: 5404272

Page 2

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by the following collateral described in the security instrument listed herein: a Mortgage or Deed of Trust to a trustee in favor of Lender on real property located in Mobile County, State of Alabama.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa.".

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated January 24, 2008 as modified by Note Modification Agreement dated January 28, 2009 and is secured by a First Real Estate Mortgage and Fixture Filing dated January 24, 2008 and filed February 13, 2008 in the office of the Probate Judge of Mobile County. Alabama in Real Property Book 6332, Page 754.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may notify this loan without the consent of or notice to anyone. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CROSSROADS, LLC

MAGNOLIA RIVER MANAGEMENT, LLC, Manager of Crossroads, LLC

SUMMIT PONSTRUCTION COMPANY, INC., Manager of Magnolia River Management, LLC

Clerence E. Burke, Jr., President of Summit Construction Company, Inc.

LASER PRO Landing, Ver 5 45 00,004. Copr. Harland Financel Solvions, Inc. 1997, 2009. All Refins Reserved. - FL --XCFFLPLIQQOFC TR-45105 PR-GENERAL

# **COMPOSITE EXHIBIT LL**

Principal Loan Date	Maturity Loan No Call/ Si	all Account Officer Initials BW
References in the boxes above are for I	ender's use only and do not limit the applicability pove containing "***" has been omitted due to te	of this document to any particular loan or item. ext length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Clarence E. Burke, Jr. P. O. Box 1629 Foley, AL 36536

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted cander's remedies against anyone else obligated to pay the Indebtedness or against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether; voluntarily or involuntarily incurred; due or to become due by their nature or arising from a guaranty or surely; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor rnight have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amoun

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral: (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty; (C) the provisions of this Guaranty and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guaranto's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Quarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor;

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 4620928

(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or Impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale: (8) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the reliaf of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or netreated shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bearkruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor. shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors. Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

Loan No: 4620928

### **COMMERCIAL GUARANTY** (Continued)

Page 3

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Nole and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without fimitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTORS EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 10, 2009.

Clarence E. Burke, Jr.

LASER PRO Lending Vol. 5 45,00 004. Cook Historia Francial Solutions, Inc. 1997 2009. All Rights Resided. - FL in CFFLPUEZO FC 18:35022. PROEMERAL

777.9 5.00	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials BW
	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536

eoples First Community Bank Lender:

CORPORATE CENTER PO Box 59950 10:22 W 23rd St. Panama City, FL 32412

Guarantor: Pennstar, LLC

P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhibited the standard sequence and contained the solid payment and performance and not of collection, so Lender can enforce this Guaranty against anyone else obligated to pay the Indebtedness or against any colleteral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and the legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Lender shall determine Guarantor's Share of the indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranto, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower: (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness and pay the for lease the payment or other terms of the Indebtedness and pay the for lease them. accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner. Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (G) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information information which currently has been, and all future financial and credit information information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no event has occurred which may adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower, and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender. (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, derrand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (C) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person. (F) to gurrelle (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale: (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 4620928

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, the proof of the control of the control of Borrower and insolvency and consequent liquidation of Borrower and insolvency a claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty. under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawauit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses. claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and constructions or equire; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if malled, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender, Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 3

## COMMERCIAL GUARANTY (Continued)

Loan No: 4620928

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Pennstar, LLC, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated August 10, 2009, in the original principal amount of \$740,835.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refir ancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 10, 2009.

LASER PRO Lenging, ver 5 45,00 004 Copy, Narand Francal Schlans, Inc. 1997, 2009. All Rights Resemble. FL WIGFRENLESO FC. TR. 39037 PR-GENERAL

GUARANTOR:

PENNSTAR, LLC

SUMMPT CONSTRUCTION COMPANY, INC., Manager of Pennstar, LLC

\_\_\_\_\_

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

7	Principal Loan Date Maturity Loan No Cail / Col Account Officer Initials BW
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Borrower:

Crossroads, LLC O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St Panama City, FL 32412

Guarantor:

Wolf Creek Industries, Inc.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, or air Duritwer's congations under the Mote and the Related Documents. This is a guaranty or payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any colleateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or detailed to the Control of the United States of America. deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine bow sums shall be applied agreed; and the Indebtedness. discretion to determine how sums shall be applied among guaranties of the Indebtedness.

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GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtendess or any part accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the indebtedness, including increases and decreases of the rate of interests on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudical sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

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GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

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All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower: (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (E) to never the part of the processor. (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any cerenses arising by reason or (A) any one action or anti-cericiency law or any oner law which may prevent Lerios from bringing any action, including a claim for deficiency, against Guarantor, before or after Lerios recement or completion of any foreclosure action, either judicially or by exercise of a power of sale: (B) any election of remedies by Lerider which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

### **COMMERCIAL GUARANTY** (Continued)

Page 2 Loan No: 4620928

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lunder is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower, the event of insolvency and consequent liquidation of the assets of Borrower applicable to through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and Surrower, or against any assignment of the claims. the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guarantor and all be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guarantor. under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower ramed in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses mailed, when deposited in the United States mail, as first class, certified or registered trial possage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

## COMMERCIAL GUARANTY (Continued)

Loan No: 4620928

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated August 10, 2009, in the original principal amount of \$740,835.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refir ancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 10, 2009.

GUARANTOR:

WOLF PREEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

LASER PRO Lending Ver 5 45 00 004. Copt National Francial Solicions. Inc. 1997, 2009. As Payris Reserved. - Ft. in: CFILP PLEZO FC. TR. 79027. PR-CENERAL

000 oc	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials
	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Robert T. Cunningham III P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guarantay against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the cont any) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equilable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender withou: the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and circuits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequated means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor sisks under this Guaranty, and Guarantor further agrees that, absent a request

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 4620928

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness: (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarity or otherwise, or by any third party, on the Indebtedness and thereafter Lander is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

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Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Rorower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses mailed, when deposited in the United States man, as may class, certained or register man postage propers, violence when shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other,

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 3

## COMMERCIAL GUARANTY (Continued)

Loan No: 4620928

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtecness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated August 10, 2009, in the original principal amount of \$740,835.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 10, 2009.

GUARANTOR:

Robert T. Cunningham II

LASER PRO Lending, Var. 5 45 00:004. Copy Harland Entended Solutions, Inc. 1997, 2009. All Highs Reserved. - Ft. HIGERLPLE20 FC. TR-19022. PRIGENERAL

Principal Loan Date Maturity Loan No. Call / Coll Account Officer Initials BW
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "**" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

John B. Foley, IV P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the cont ary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of taw, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to aller, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, walve, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition so of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition, since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition, diam, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (f) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor are grees that, absent a request for information. Lender shall h

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor. (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Incebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4620928

Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lander is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to fine to file financing statements and continuation statements and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited vith a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Com mercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 3

#### COMMERCIAL GUARANTY (Continued)

Loan No: 4620928

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated August 10, 2009, in the original principal amount of \$740,835.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AUGUST 10, 2009.

GUARANTOR

John B. 56Ky, IV

LISER PRO Lambra, Var. 5.45.00 004. Chor. Husand Februari Soutona, Inc. 1987, 2009. All Rights Revince . TL - CHULLE20 FC TR-39022 PRICENERAL

# **COMPOSITE EXHIBIT MM**

P	rincipal Loan Date Maturity Loan No. call / Coll Account Officer Initials WISEB
R	eferences in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Clarence E. Burke, Jr. P. O. Box 1629 Foley, AL 36536

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason whatsoever; for any transactions that may be voidable for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness Incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's death. Subject to the foregoing, Guarantor's devector or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of the Indebtedness covered by this Guarantor, and Guarantor specifically acknowledges and agrees that reductions in the am

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessenling Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower. (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of Interest on the Indebtedness, and exchange, enforce, waive, subordinate, fall or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition. Guarantor's financial condition, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor rayees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surrety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor;

#### COMMERCIAL GUARANTY (Continued)

(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower the Guarantor, or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Loan No: 5404272

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Cuarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

Page 2

### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

Page 3

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION HILED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

Clarence E. Burke, Jr.

LASER PRO Landers, Ver. 5 45 D0 004. Copt. Historic Financial Solubora, Inc. 1697 2009. All Rights Reserved. - FL = CF/LPLE70.FC TR-45105 PR-CEMERAL

### COMMERCIAL GUARANTY

Principal	Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB	7/2 ************************************
References	the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.	

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Pennstar, LLC

P.O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEONESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty; (C) the provisions of this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Page 2 Loan No: 5404272

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be pald to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty. under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or cularantor, their all words used in this Cuaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by Itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sale discretion of Lender

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.",

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

Page 3

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Pennstar, LLC, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated June 29, 2009, In the original principal amount of \$3,123,719.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

PENNSTAR, LLC

SUMMIT CONSTRUCTION COMPANY, INC., Manager of Pennstar, LLC

Clarence E. Burke, Jr., President of Summit

Construction Company, Inc.

CASER PRO Landing Var 5 45 00 004 Copt Harten'S Festical Solvitors, Inc. 1997, 2009 All Repris Reserved. - FL & CEPLE LEZO FC TR-45105 PRICENERAL

#### COMMERCIAL GUARANTY

1	Principal Loan Date Maturity Loan No Call 7 Coll Account Officer Initials WISEB
	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Crossroads, LLC

P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Wolf Creek Industries, Inc.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and uncontinuously guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtess of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or security of the Indebtedness of Regulated Documents. deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others. owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guarantie

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower: (B) to after, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness. including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any Interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower's financial condition. Guarantor aspects to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a reque GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filling date for the tax reporting period ended. Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

#### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any daim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requisests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be Invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Page 3

### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means the promissory note dated June 29, 2009, in the original principal amount of \$3,123,719.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURAINTON OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

WOLF CREEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek Industries, Inc.

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#### COMMERCIAL GUARANTY

	Principal Loan Date Maturity Loan No Call / Coll Account Officer Initials WISEB
Г	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: John B. Foley, IV

P. O. Box 1629 Foley, AL 36536

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is unlimited and Guarantor's obligations are continuing.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations of every nature or form, now existing or hereafter arising or acquired, that Borrower individually or collectively or interchangeably with others, owes or will owe Lender. "Indebtedness" includes, without limitation, loans, advances, debts, overdraft indebtedness, credit card indebtedness, lease obligations, liabilities and obligations under any interest rate protection agreements or foreign currency exchange agreements or commodity price protection agreements, other obligations, and liabilities of Borrower, and any present or future judgments against Borrower, future advances, loans or transactions that renew, extend, modify, refinance, consolidate or substitute these debts, liabilities and obligations whether: voluntarily or involuntarily incurred; due or to become due by their terms or acceleration; absolute or contingent; liquidated or unliquidated; determined or undetermined; direct or indirect; primary or secondary in nature or arising from a guaranty or surety; secured or unsecured; joint or several or joint and several; evidenced by a negotiable or non-negotiable instrument or writing; originated by Lender or another or others; barred or unenforceable against Borrower for any reason (such as infancy, insanity, ultra vires or otherwise); and originated then reduced or extinguished and then afterwards increased or reinstated.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

CONTINUING GUARANTY. THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT, PERFORMANCE AND SATISFACTION OF THE INDEBTEDNESS OF BORROWER TO LENDER, NOW EXISTING OR HEREAFTER ARISING OR ACQUIRED, ON AN OPEN AND CONTINUING BASIS. ACCORDINGLY, ANY PAYMENTS MADE ON THE INDEBTEDNESS WILL NOT DISCHARGE OR DIMINISH GUARANTOR'S OBLIGATIONS AND LIABILITY UNDER THIS GUARANTY FOR ANY REMAINING AND SUCCEEDING INDEBTEDNESS EVEN WHEN ALL OR PART OF THE OUTSTANDING INDEBTEDNESS MAY BE A ZERO BALANCE FROM TIME TO TIME.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is conlingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death, Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guarantor or termination of any other guarantor or termination of any other guarantor may never a feet the liability of any remaining Guarantor under this Guar

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the indebtedness; extensions may be repeated and may be for longer than the original toan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would Ilmit or qualify in any way the terms of this Guaranty; (8) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (B) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor. (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition so of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor as setablished adequate means of obtaining from Borrower on a continuing basis information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of i

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surely, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor:

#### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

Page 2

(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of his Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar enlities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY."

Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Walver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

### **COMMERCIAL GUARANTY**

Loan No: 5404272

(Continued)

Page 3

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation John B. Foley, IV, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, ioan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

**GUARANTOR:** 

RO Lencing Var. 5 45 00.004. Copy Harried Financial Systems, Inc. 1987, 2009. Alk Rights Reserved. R. #CFRLPLIEZO/C TR45105 PRIGENERAL

### COMMERCIAL GUARANTY

	Principal Loan Date Maturity Loan No Call / Cell Account Officer Initials WISEB
İ	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing """" has been omitted due to text length limitations.

Borrower:

Crossroads, LLC . O. Box 1629 Foley, AL 36536

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Robert T. Cunningham III P. O. Box 1629 Foley, AL 36536

CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not shausted Lender's remedies against anyone else obligated to pay the indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim and will otherwise nerform Borrower's obligations under the Note and Related Documents. Under this Guaranty deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guaranty's liability is unlimited and Guarantor's obligations are continuing.

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DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include the Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. For this purpose and without limitation, "new Indebtedness" does not include all or part of the Indebtedness that is: incurred by Borrower prior to revocation; incurred under a commitment that became binding before revocation; any renewals, extensions, substitutions, and modifications of the Indebtedness. This Guaranty shall bind Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or 
GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lesse equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part. GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or

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### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

Page 2

(D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter

whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (Including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor and "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Walve Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this toan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

### COMMERCIAL GUARANTY (Continued)

Loan No: 5404272

Page 3

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Crossroads, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Robert T. Cunningham III, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns

Note. The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of and substitutions for promissory notes or credit agreements.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED JUNE 29, 2009.

GUARANTOR:

Robert T. Cunninghanf-IIL

LASER PRO Lending, Ver 5 45 00 004 Copt. Natural Francial Balabone, Inc. 1897, 2009. All Rights Reserved. - FL WICFILP/LE20 FC TR-45105 PR-GENERAL

# **EXHIBIT NN**

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Principal Loan Date Maturity \$27,637.08 03-20-2009 03-20-2014	4903670 BW
References in the boxes above are for Lender's use of	nly and do not limit the applicability of this document to any particular loan or item.

Borrower: Remington, LLC P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank CORPORATE CENTER PO Box 59950

1022 W 23rd St. Panama City, FL 32412

Date of Note: March 20, 2009

Principal Amount: \$27,637.08

PROMISE TO PAY. Remington, LLC ("Borrower") promises to pay to Peoples First Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-seven Thousand Six Hundred Thirty-seven & 08/100 Dollars (\$27,637.08), together with interest on the unpaid principal balance from March 20, 2009, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 6.750% per annum based on a year of 360 days, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in 59 payments of \$545.36 each payment and an irregular last payment estimated at \$545.02. Borrower's first payment is due April 20, 2009, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on March 20, 2014, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Bather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Peoples First Community Bank, CORPORATE CENTER, PO Box 69950, 1022 W 23rd St., Panama City, FL 32412.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased to 17.500% per annum based on a year of 360 days. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any colleteral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within thity (30) days; or (2) if the cure requires more than thirty (30) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender the amount of these costs and expenses, which includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lewsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Florida.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. This loan is unsecured.

CROSS-COLLATERALIZATION. "All other collateral of Borrower now or hereafter pledged, shall be collateral for this loan, provided, however, that any interest in Borrower's primary residence or Borrower's household goods and furnishings are excepted, unless specifically referenced

# Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 97 of 110 PageID #: 341 PROMISSORY NOTE

(Continued) Loan No: 4903670

Page 2

herein. A default under any loan of Borrower to Lender shall be a default under this loan and vice versa.".

OTHER COLLATERAL. Borrower acknowledges this Note is also secured by the following where applicable: Commercial Security Agreement, Assignment, Pledge or other security instrument, all of even date hereof.

PRIOR NOTE. This Note is a renewal of the Promissory Note dated April 15, 2008.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: Peoples First Community Bank P.O. Box 59950 Panama City, FL 32412-0950.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take reserve or receive icollectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in Icollectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Florida (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in whiting no party who signs this Note, whether as maker guarantee, accommodation maker or endorser, shall be released from liability. All such writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or encorser, shall be released from hability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

REMINGTON, LLC

Clarence E. Burke, Jr., Manager of Remington, LLC

Dorsey, Manager of Remington, LLC

EASER PRO Lending: Var. 5.43.00.007 Copt. Halland Emercial Solutions, Inc. 1997, 2009. Alt Rights Reserved. - FL willCRLEMID20.00 TR.34662 PR-GENERAL

# **EXHIBIT OO**

# BALDYIN COUNTY, ALABAMA Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 99 of 110 HRUSELL PROBATE JUDGE GLERON SEPTIM 14-50

RECORD & RETURN TO:

Hancock Bank
ATTN: Lending Services
P O Box 4020
Gulfport, MS 39502

PREPARED BY: Laurie Russell LOAN # 4903670



#### ASSIGNMENT OF NOTE, MORTGAGE AND LOAN DOCUMENTS

THIS ASSIGNMENT (this "Assignment") is made effective this 18th day of December 2009, by and between the FEDERAL DEPOSIT INSURANCE CORPORATION, RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America ("Assignor"), having an address of 1601 Bryan Street, Suite 1700, Dallas, Texas 75201, Attention: Settlement Manager, and HANCOCK BANK ("Assignee") with an address of 2510 14th Street, One Hancock Plaza, 7<sup>th</sup> Floor, Gulfport, Mississippi 39502.

WHEREAS, on December 18, 2009, in accordance with Florida law and the Federal Deposit Insurance Act, 12 U.S.C §1821 et. seq. (the "FDIC Act"), the Office of Thrift Supervision closed the operations of Peoples First Community Bank, Panama City, Florida ("Peoples First"), and appointed the Assignor as the receiver of Peoples First.

WHEREAS, in accordance with the Act, the Assignor is empowered to liquidate the assets of Peoples First in order to wind down the affairs of Peoples First.

WHEREAS, on or about December 18, 2009, in accordance with that certain Purchase and Assumption Agreement (Modified Whole Bank, All Deposits) dated December 18, 2009 (the "Purchase Agreement"), by and among the Assignor, Assignee and the Federal Deposit Insurance Corporation ("FDIC"), the Assignor sold certain assets of Peoples First to Assignee, including, but not limited to, the following loan documents and other rights:

- A. That certain <u>Promissory</u> Note dated <u>March 20, 2009</u>, executed by <u>Remington</u>, <u>LLC</u> (the "Borrower"), in the original principal amount of <u>Twenty-Seven Thousand Six Hundred Thirty-Seven and 08/100 <u>Dollars (\$27.637.08</u>) in favor of Peoples First (hereinafter referred to as the "Note");</u>
- B. That certain Mortgage dated March 22, 2006, granted by the Borrower to Peoples First, and recorded as Official Records Instrument #964017, as amended by that certain Cancellation of Mortgage dated March 25, 2009, and recorded as Official Records Instrument #1170955, all of the public records of Baldwin County, Alabama, with respect to the real property described therein (hereinafter collectively referred to as the "Mortgage"), which Mortgage secures the repayment of the Note;
- C. That certain <u>Business</u> Loan Agreement dated <u>March 20, 2009</u>, by and between Peoples First and Borrower (hereinafter referred to as the "Loan Agreement");
- D. That certain <u>Commercial</u> Guaranty dated <u>March 20, 2009</u>, from <u>Wolf Creek Industries, Inc.</u>, and that certain <u>Commercial</u> Guaranty dated <u>March 20, 2009</u>, from <u>Clarence E. Burke, Jr.</u>, and that certain <u>Commercial</u> Guaranty dated <u>March 20, 2009</u>, from <u>Jasper Tucker Dorsey</u>, in favor of Peoples First (hereinafter referred to as the "Guaranty");
- E. That certain UCC-1 Financing Statement from Borrower, as Debtor, filed in the Florida Secured Transaction Registry on N/A, bearing Instrument No. \_\_\_\_\_, and recorded in Official Records Book \_\_\_\_\_, Page \_\_\_\_, of the public records of \_\_\_\_\_ County, Florida (hereinafter collectively referred to as the "Financing Statements");
- F. That certain Loan Policy of Title Insurance dated N/A, issued by Title Insurance Company, Loan Policy #\_\_\_\_, in the amount of \$\_\_\_\_ (hereinafter referred to as the "Title Policy");
- G. That certain <u>Assignment of Rents</u> from <u>Remington, LLC</u>, dated <u>March 22, 2006</u>, and recorded as Official Record Instrument #964018, of the public records of <u>Baldwin</u>, County, Alabama (hereinafter referred to as the "<u>Assignment of Rents</u>");
- H. Any and all claims, actions, causes of action, choses of action, judgments, demands, rights, damages and liens, together with the right to seek reimbursement of attorney's fees, costs or other expenses of any nature whatsoever, whether known or unknown, arising from, relating to or based upon that certain loan evidenced by the Note and Mortgage above, and/or which are the subject matter of the action filed in the N/A Court, \_\_\_\_\_ County, case-styled \_\_\_\_\_, Case Number \_\_\_\_\_ (the "Claims").

The documents identified in paragraph(s) C, D and G above are hereinafter collectively referred to as the "Collateral Documents."

NOW, THEREFORE, for valuable consideration granted by Assignee to Assignor, receipt of which is hereby acknowledged, Assignor hereby agrees as follows:

- 1. Assignment of Note, Mortgage and Collateral Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in the Note, Mortgage and Collateral Documents, including all of Assignor's right to receive payments of principal and interest under the Note. Concurrently herewith, Assignor has endorsed to Assignee, without recourse, the Note.
- 2. All Other Loan Documents. Assignor hereby unconditionally grants, transfers, and assigns to Assignee all Assignor's right, title and interest in all other documents or agreements entered into by Peoples First (or its predecessor) in connection with or related to the loan evidenced by the Note, Mortgage and Collateral Documents (hereinafter referred to collectively as the "Loan"). In this Assignment, the Note, the Mortgage, the Collateral Documents, and all other documents evidencing or securing the Loan are referred to collectively as the "Loan Documents."
- 3. <u>Assignment of Claims.</u> Assignor hereby unconditionally grants, transfers, and assigns to Assignee all of Assignor's right, title and interest in and to the Claims.
- 4. <u>Representations and Warranties</u>. In accordance with the Act, Assignor has full power to sell and assign the Loan Documents to the Assignee. Assignor has made no prior assignment or pledge of the Loan Documents. This Assignment is made without recourse, representation or warranty, express or implied, by the FDIC in its corporate capacity or as Receiver.
- 5. <u>Successors and Assigns</u>. This Assignment shall inure to the benefit of the successors and assigns of Assignor and Assignee, and be binding upon the successors and assigns of Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has executed this Assignment to Assignee as of April 19, 2010.

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER FOR PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, organized under the laws of the United States of America

Name: Regina M. Lawrence Title: Attorney-in-Fact

STATE OF MISSISSIPPI COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this the 19th day of April, 2010, within my jurisdiction, the within named Regina M. Lawrence, who (check one) X is personally known to me or \_\_\_\_\_ has provided me with (insert type of identification) \_\_\_\_\_ as satisfactory evidence that he'she is the person who executed this instrument and who acknowledged that he is the attorney in fact of the FEDERAL DEPOSIT INSURANCE CORPORATION, in its capacity as the RECEIVER OF PEOPLES FIRST COMMUNITY BANK, PANAMA CITY, FLORIDA, a corporation organized under the laws of the United States of America, and that for and on behalf of the said corporation, and as its act and deed, she executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do.

Notary Public, Acting in the State and County Aforesaid (Print Name)

My Commission Expires: (See Notary Seal)
My Commission Number is:(See Notary Seal)

MOTARY PUBLIC Comm Exiting 20, 2012

# **COMPOSITE EXHIBIT PP**

## 

Pı	rincipal Loan Date Maturity Loan No Call / Coll Account Officer Initials BW
Re	eferences in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower:

Remington, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER

PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor: Wolf Creek Industries, Inc.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owns or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100,000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditivorthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor asks under this Guaranty, and Guarantor further agrees that, absent a request fo

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights of Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

Loan No: 4903670 (Continued) Page 2

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any detenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender ray apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Sorrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be affective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County, State of Florida.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other.

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.".

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings artributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Remington, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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Page 3 (Continued) Loan No: 4903670

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Wolf Creek Industries, Inc., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's incebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated March 20, 2009, in the original principal amount of \$27,637.08 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 20, 2009.

GUARANTOR:

WOLF CHEEK INDUSTRIES, INC.

Clarence E. Burke, Jr., President of Wolf Creek

Industries, Inc.

LASEN PHO Lending, Vol. 6 43,00 003 Copt. Harland Enlancial Solutions. no. 1937, 2009. All Rights Reserved. - Ft. W1CHILPLIESD EC 170-3462 PR GENERAL

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Principal Loan Date Maturity	Loan No Call / Call Account Officer Initials BW
References in the boxes above are for Lender's use only a Any item above containing "	and do not limit the applicability of this document to any particular loan or item. **" has been omitted due to text length limitations.

Borrower: Remington, LLC P. O. Box 1629

P. O. Box 1629 Foley, AL 36536 Lender: Peoples First Community Bank

CORPORATE CENTER
PO Box 59950
1022 W 23rd St.
Panama City, FL 32412

Guarantor: Clarence E. Burke, Jr.

P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, or demand, in legal tender of the United States of America, in same-day funds, without set-off or ceduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, cwes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

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Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

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GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that [A] no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guarantor and order thas made no representation in the course of its relationship with Bor

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

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All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

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Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale: (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor sights or proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

Page 2 (Continued) Loan No: 4903670

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of imitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower. whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights

GARNISHMENT. Guarantor consents to the issuance of a continuing writ of garnishment or attachment against Guarantor's disposable earnings, in accordance with Section 222.11, Florida Statutes, in order to satisfy, in whole or in part, any money judgment entered in favor of

MISCELLANEOUS PROVISIONS. The following m scellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Gueranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the integration. Qualantor interest agrees that underly agrees that the properties of the control of claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more han one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the gravestors of this Guaranty was if a provision of this Guaranty may be found to be invalid or unantographs. tact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court was entitled the less of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective which records. When deposited by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Waive Jury. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other

Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa."

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise

### Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 107 of 110 PageID #: 351

COMMERCIAL GUARANTY

Loan No: 4903670 (Continued) Page 3

defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Remington, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Clarence E. Burke, Jr., and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender,

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated March 20, 2009, in the original principal amount of \$27,637.08 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, ioan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hareafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TYTLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 20, 2009.

X Clarence E. Burke, Jr.

LASER PRO Lendow, Ver. 6 43 00 007 Cops. Hilland Prancial Schools, Inc. 1997, 2009. All Rights Remind. - It. w 1CHILPLEZOFC. TR 34801 PR-CENSRAL

# Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 108 of 110 PageID #: 352

F:	Principal Loan Date Maturity Loan No Call / Coll Account Officet Initials
F	References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  Any item above containing "***" has been omitted due to text length limitations.

Borrower: Remin

Remington, LLC P. O. Box 1629 Foley, AL 36536 Lender:

Peoples First Community Bank CORPORATE CENTER PO Box 59950 1022 W 23rd St. Panama City, FL 32412

Guarantor:

Jasper Tucker Dorsey P. O. Box 1629 Foley, AL 36536

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of Guarantor's Share of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unterminated guaranties.

GUARANTOR'S SHARE OF THE INDEBTEDNESS. The words "Guarantor's Share of the Indebtedness" as used in this Guaranty mean 100.000% of all the principal amount, interest thereon to the extent not prohibited by law, and all collection costs, expenses and reasonable attorneys' fees whether or not there is a lawsuit, and if there is a lawsuit, any fees and costs for trial and appeals.

Lender shall determine Guarantor's Share of the Indebtedness when Lender makes demand on Guarantor. After a determination, Guarantor's Share of the Indebtedness will only be reduced by sums actually paid by Guarantor under this Guaranty, but will not be reduced by sums from any other source including, but not limited to, sums realized from any collateral securing the Indebtedness or this Guaranty, or payments by anyone other than Guarantor, or reductions by operation of law, judicial order or equitable principles. Lender has the sole and absolute discretion to determine how sums shall be applied among guaranties of the Indebtedness.

The above limitation on liability is not a restriction on the amount of the Note of Borrower to Lender either in the aggregate or at any one time.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness; including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or quality in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the date of the most recent financial statements provided; (G) no material adverse change has occurred which may materially adversely affect Guarantor's financial condition since the date of the most recent threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absant a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S FINANCIAL STATEMENTS. Guarantor agrees to furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than thirty (30) days after the end of each fiscal year, Guarantor's balance sheet and income statement for the year ended, prepared by Guarantor in form satisfactory to Lender.

Tax Returns. As soon as available, but in no event later than thirty (30) days after the applicable filing date for the tax reporting period ended, Federal and other governmental tax returns, prepared by a tax professional satisfactory to Lender.

All financial reports required to be provided under this Guaranty shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Guarantor as being true and correct.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of ary kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any elaction of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other

Page 2 (Continued) Loan No: 4903670

than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified inpairment of any collateral for the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any smilar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender whether checking, savings, or some other account. This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

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MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Gueranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Florida without regard to its conflicts of law provisions.

Choice of Venue. If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Bay County,

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute. continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

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Cross-Collateralization. "All other collateral of Guarantor now or hereafter pledged to Lender, shall be collateral for this loan, provided, however, that any interest in Guarantor's primary residence or Guarantor's household goods and furnishings are excepted, unless specifically referenced herein. A default under any loan of Guarantor to Lender shall be a default under this loan and vice versa.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise

# Case 1:12-cv-00101-B Document 1-2 Filed 02/22/12 Page 110 of 110 PageID #: 354

(Continued)

Page 3 Loan No: 4903670

defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Remington, LLC and includes all co-signers and co-makers signing the Note and all their successors

GAAP. The word "GAAP" means generally accepted accounting principles.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation Jasper Tucker Dorsey, and in each case, any signer's successors and assigns.

Guarantor's Share of the Indebtedness. The words "Guarantor's Share of the Indebtedness" mean Guarantor's indebtedness to Lender as more particularly described in this Guaranty.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means Peoples First Community Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated March 20, 2009, in the original principal amount of \$27,637.08 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED MARCH 20, 2009.

GUARANTOR:

LASCR PHO Languag. Ver 5 40 00:000 Copi. Mariand Francial Solutions, Inc. 1997, 2008. All Rights Reserved. FL --:CFREFLEXQUEC TR-34662 on GCRERAL

Case 1:12-cv-00101-B Document 1-3 Filed 02/22/12 Page 1 of Page 1 of Page 10 #:407

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE I. (a) PLAINTIFFS DEFENDANTS ELITE DEVELOPMENT, LLC, et al. HANCOCK BANK Harrison County, MS Baldwin County, AL (b) County of Residence of First Listed Plaintiff County of Residence of First Listed (EXCEPT IN U.S. PLAINTIFF CASES) (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. Attomeys (If Known) (c) Attorney's (Firm Name, Address, and Telephone Number) Edward A. R. Miller, Jones Walker 254 State Street, Mobile, AL 36603 (251) 432-1414 II. BASIS OF JURISDICTION (Place an "X" in One Box Only) III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for (For Diversity Cases Only) and One Box for Defendant) PTF DEF Incorporated or Principal Place \_\_\_\_ 4 U.S. Government Federal Question Citizen of This State  $\Box$ ×I Plaintiff (U.S. Government Not a Party) of Business In This State 2 U.S. Government Diversity Citizen of Another State 2 22 Incorporated and Principal × 5 Defendant (Indicate Citizenship of Parties of Business In Another State in Item III) Citizen or Subject of a 3 3 Foreign Nation 6 Foreign Country IV. NATURE OF SUIT (Place an "X" in One Box Only) CONTRACT TORTS FORFEITURE/PENALTY BANKRUPTCY OTHER STATUTES 110 Insurance PERSONAL INJURY PERSONAL INJURY 610 Agriculture 422 Appeal 28 USC 158 400 State Reapportionment 120 Marine 310 Aimlane 620 Other Food & Drug 362 Personal Injury-3410 Antitrust 130 Miller Act 315 Airplane Product Med. Malpractice 3430 Banks and Banking 625 Drug Related Seizure 423 Withdrawal Liability 365 Personal Injury — 140 Negotiable Instrument of Property 21 USC 881 28 USC 157 450 Commerce/ICC Rates/etc. 320 Assault, Libel & 150 Recovery of Overpayment 460 Departation Product Liability 630 Liquor Laws & Enforcement of 368 Asbestos Personal PROPERTY RIGHTS Slander 640 R.R. & Truck 470 Racketeer Influenced and Judgment 151 Medicare Act 330 Federal Employers' Injury Product 650 Airline Regs. Corrupt Organizations 820 Copyrights 152 Recovery of Defaulted Liability Liability 660 Occupational ☐ 810 Selective Service 830 Patent Student Loans 340 Marine PERSONAL PROPERT Safety/Health ■ 850 Securities/Commodities/ 840 Trademark (Exel. Veterans) 345 Marine Product 370 Other Fraud 690 Other Exchange 153 Recovery of Overpayment Liability 371 Truth in Lending ☐ 875 Customer Challenge LABOR SOCIAL SECURITY of Veteran's Benefits 350 Motor Vehicle 380 Other Personal 12 USC 3410 160 Stockholders' Suits 355 Motor Vehicle ■ 891 Agricultural Acts Property Damage 710 Fair Labor Standards 861 HIA (1395ff) 190 Other Contract Product Liability 385 Property Damage 892 Economic Stabilization Act 862 Black Lung (923) Act 893 Environmental Matters
894 Energy Allocation Act
895 Freedom of 195 Contract Product Liability 360 Other Personal Injury Product Liability 720 Labor/Mgmt. Relations 863 DIWC/DIWW (405(g)) REAL PROPERTY CIVIL RIGHTS PRISONERPETITION 864 SSID Title XVI 730 Labor/Mgmt.Reporting 865 RSI (405(g)) Information Act 210 Land Condemnation 510 Motions to Vacate 441 Voting & Disclosure Act 900 Appeal of Fee Determination 900 FEDERAL TAX SUITS 220 Foreclosure 442 Employment Sentence 740 Railway Labor Act Under Equal Access to 230 Rent Lease & Ejectment 443 Housing/ Habeas Corous: | 870 Taxes (U.S. Plaintiff Justice 240 Torts to Land Accommodations 530 General 790 Other Labor Litigation or Defendant) 950 Constitutionality of 245 Tort Product Liability 444 Welfare 535 Death Penalty State Statutes 290 All Other Real Property 440 Other Civil Rights 540 Mandannis & Other 791 Emnl. Ret. Inc. 890 Other Statutory Actions 871 IRS—Third Party 550 Civil Rights Security Act 26 USC 7609 555 Prison Condition (PLACE AN "X" IN ONE BOX ONLY) V. ORIGIN Appeal to District Judge from Transferred from another district Reinstated or 5 2 Removed from Remanded from Appellate Court Magistrate Original П6 (specify) Multidistrict State Court Judgment Litigation VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write brief statement of cause. Do not cite jurisdictional statutes unless diversity.) 28 U.S.C. § 1332. Enforce negotiable instruments. VII. REQUESTED IN CHECK YES only if demanded in complaint: CHECK IF THIS IS A CLASS ACTION DEMAND UNDER F.R.C.P. 23 COMPLAINT: JURY DEMAND: Yes X No (See VIII. RELATED CASE(S) instructions): IF ANY DOCKET JUDGE NUMBER DATE TORNEY OF RECORD FOR OFFICE USE/ONLY RECEIPT# AMOUNT. APPLYING IFP JUDGE \_ MAG. JUDGE

### **PLAINTIFF**

HANCOCK BANK, Successor in Interest to Peoples First Community Bank by Asset Acquisition from the FDIC as Receiver for Peoples First

### **DEFENDANTS**

Elite Development, LLC c/o Summit Construction Company, Inc., Registered Agent 14747 Underwood Road Summerdale, AL 36580

Clarence E. Burke, Jr.; Doc McDuffie Road Foley, AL 36535

John B. Foley, IV 111 South McKenzie Street Foley, AL 36535

Robert T. Cunningham, III; 200 Cumberland Road Fairhope, AL 36532

Benchmark Homes, Inc. c/o Robert T. Cunningham, III, Registered Agent 1290 Main Street, Suite E Daphne, AL 36526

Pennstar, LLC c/o Summit Construction Company, Registered Agent 12940 Underwood Road Summerdale, AL 36580

Wolf Creek Industries, Inc. c/o Clarence E. Burke, Jr., Registered Agent Doc McDuffie Road Foley, AL 36535

Stratosphere Land Holdings, Inc. c/o Summit Construction Company, Inc., Registered Agent 14747 Underwood Road Summerdale, AL 36580

Rustal, LLC

c/o Magnolia River Management, LLC, Registered Agent 14747 Underwood Road Summerdale, AL 36580

Crossroads, LLC c/o Magnolia River Management, LLC, Registered Agent 14747 Underwood Road Summerdale, AL 36580

Country Club Development, LLC c/o Albert Corte, III, Registered Agent 200 Rock Creek Parkway
Fairhope, AL 36532

Albert Corte, III 200 Rock Creek Parkway Fairhope, AL 36532

AC 3, Inc. c/o Albert Corte, III, Registered Agent 200 Rock Creek Parkway Fairhope, AL 36532